Corporate Finance: Newsletter – April 2, 2016

Where we are in class…

Lecture Notes Packet 1 (pdf)  Applied Corporate Finance Book

Chapter 1  Chapter 2
Chapter 3  Chapter 4
Chapter 5  Chapter 6
Chapter 7  Chapter 8
Chapter 9  Chapter 10
Chapter 11  Chapter 12

Last Session  Next week

Last session: End of packet 1  Next session: Packet 2

Where you should be in the project…

Project

Pick a company & group
Get data from Bloomberg
Get latest Edgar filings (10-K, 14-DEF) and annual report
I. Corporate Governance Analysis
II. Stockholder Analysis
III. Risk and Return Analysis
IV. Measuring Investment Returns
V. Capital Structure Choices
VI. Optimal Capital Structure
VII. Mechanics of Moving to the Optimal
VIII. Dividend Policy
IX. A Framework for analysing Dividend Policy
X. Valuation

Data Notes…

I know that this week was spent on the case but we are in a pause phase for the project. At this stage in the process, you should have costs of capital and EVAs for your
firms and be ready for the next phase, where we will analyze capital structure. One issue that you may want to get nailed down before the coming weeks is the issue of opportunity costs and side benefits. The real options intro (a very short one) that we will do will help (I think).

**Miscellaneous FAQs**

*How was the case graded?*

The case is graded out of 10, and everyone in the group will get the same grade. I know that this sounds unfair, especially for those of you who feel that you carried the lion’s share of the work but I do not know of any way in which you can assess relative weights in group work.

*If we don’t think that the case grade is fair, what do we do?*

Talk to me. If you feel that I have assessed you as having an issue (see the grading template for the case), when you really don’t, come in and talk to me, either as a group or as an individual representing the group.

*What are the skills that will be tested on the next quiz?*

The next quiz (which is day after tomorrow) will test your understanding of basic accounting (operating income versus net income), the role of capital versus financial expenses but will not mire you in accounting details.