

Corporate Finance: Newsletter – February 9, 2019

Where we are in class...

Lecture Notes Packet 1 (pdf)

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The Objective
 - Stock price Max
 - Limitations
 - Alternatives
 Hurdle Rates
 - Risk Models
 - Cost of equity
 - Cost of capital
 Returns
 - Accounting
 - Cash flow
 Project choice
 Project options

Applied Corporate Finance Book

Last Session



Next week



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

Where you should be in the project...

Project

Pick a company & group



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

What you might have missed in class..

Handouts: (1) Syllabus (2) Project (3) Scintillating conversation (not, but I have to give you some regrets, right?)

Data Notes

As you try to pick companies, you can get a sense of the wide choices online. For US companies, you can take a look at what companies are in a sector by looking at Google Finance or Yahoo! Finance.

1. <https://www.google.com/finance> (Find your company and click on related companies)
2. <https://beta.finance.yahoo.com> (Click on industries to get a broad breakdown)

If you can get on to S&P Capital IQ, you can search a much broader set of global companies and find one that meets the required criteria: that it not be a financial service company and not lose money.

I would suggest a less structured approach, where you pick a theme and then start coming up with companies attached to it. Thus, if your theme is travel, think through your entire travel cycle and think about the companies you used along the way, from the one that you found your travel destination on to the one that kept you safe and healthy on the trip.

Miscellaneous FAQs

I am not in a group yet. What do I do?

If you registered very recently for the class, try to find others in the class who are in groups already and see if you can be added on to a group. Please try to find a group, and if you let me know, I will play matchmaker.

When do the web casts get online?

The webcasts are usually available a few hours after the class is done, assuming I stay on top of things.

Do I need to read all your emails? (They are getting a little tiresome)

Heck, yeah!!!!