

University of Indianapolis – School of Business
MBA682 – Cases in Finance
Semester I 2009/10 – 3 Credits
Wednesday 5:45-8:45pm
Esch Hall #205

Instructor: Dr. Rachel Smith
Email: rsmith@uindy.edu
Cell phone: 938-0475
Office: Esch Hall #052E

Course Syllabus **MBA 682 – Cases in Finance**

Course Description

By employing a case study approach focusing on complex problems, students gain a deeper understanding of financial analysis, capital budgeting, cost of capital evaluation, equity management, capital structure, acquisitions & mergers, and the financing of capital investments. The impact of financial decisions on corporate value creation is an overriding theme of the course.

The course combines a theoretical approach to the understanding of finance, with examples of how this theoretical knowledge is applied in practical situations. Through the integration of key concepts such as cost of capital, risk and return, capital budgeting, enterprise valuation, optimal capital structure, and maximization of shareholder value, students learn the analytical techniques necessary to make rational financial decisions.

Course Objectives

At completion of the course, students will be able to:

- ⇒ Identify and successfully use the appropriate financial tools in analyzing data
- ⇒ Perform financial analysis by applying relevant formulas and models
- ⇒ Critically evaluate the financial decisions of selected cases
- ⇒ Process financial theory and apply it to practical situations
- ⇒ Develop and present solutions to case studies involving complex variables

Required Materials

Case Studies in Finance: Managing for Corporate Value Creation by Robert Bruner, 6th ed., New York, NY: McGraw-Hill, 2010.

Financial Calculator - HP12C

Access to Power Point and Spreadsheet programs

Recommended Material

Principles of Corporate Finance by Richard Brealey, Stewart Myers, & Franklin Allen, 9th ed.

Course Requirements

40% Presentations
40% Analyses
20% Final Exam

Grading

A 90-100%
B 80-89%
C 70-79%
F 0-69%

Pluses and minuses are assigned at the instructor's discretion.

Presentations – Students will work with an assigned partner to present the case. This will include problem identification, core questions to be answered, appropriate analyses using information and theoretical models or formulas deemed relevant, decision-making, and recommendations. The presentation should utilize Power Point slides and “Presenters” should provide copies of the slides to each student. The Presenters must then be prepared to respond to the critique and challenges of the remaining student “Analysts”. Grading will be based on appropriate identification of questions, accurate and thorough analyses, quality of decisions, responses to Analysts’ critiques, and ability to effectively articulate and quantitatively support viewpoints. Length should be based on what is necessary to provide a brief review of the relevant case facts and thorough presentation of the analysis and recommendations/decisions. Each presenting team will receive a score between 1 and 5 for each presentation. Final presentation grades will be assigned based on a curve between A and B-.

Analyses – Students not presenting the case will be “Analysts” of the presentation. They are responsible for preparing for the case presentation by reading and understanding the case issues. Some preliminary analyses may be helpful. Analysts must critique, question, challenge, discover inconsistencies, or provide additional insights to the Presenters. Grading will be based on the quality and quantity of these contributions to the case discussion. Final analysis grades will be assigned based on a curve between A and B-.

Final Exam – The final exam will be a take-home exam which must be completed alone. The exam will be a comprehensive case analysis. It will be distributed at the end of class on December 2nd. The case analysis must be completed and emailed to the professor by Saturday, December 5th at midnight. It will be reviewed in class on December 9th.

Wall Street Journal Presentations – The presentation content must cover an article(s) from the Wall Street Journal or other financial magazine that relates to course topics. The presentation should utilize Power Point slides. It should briefly describe the article, provide additional related data/research, indicate the relationship to course topics and theories, provide your analysis of the article, offer your opinion and application to real world scenarios, and then present several discussion questions to the class.

Cases (Bruner text)

Class	Topic	Case 1	Case 2
Aug. 26 th	Introduction	(1) Warren Buffet	
Sept. 2 nd	Market Efficiency Value Creation & Economic Profit	(2) Bill Miller & Value Trust	(4) Fed Ex vs. UPS
Sept. 9 th	Financial Statement Analysis Growth & Bank Financing	(7) Krispy Kreme	(9) Horniman Horticulture
Sept. 16 th	No Class		
Sept. 23 rd	Dividends & Stock Buybacks IPOs	(26) Gainesboro	(28) Jet Blue
Sept. 30 th	Analysis of Automation Inv. Capital Proj Analysis & Forecasting	(20) Aurora Textile	(25) Star River Electronics
Oct. 7 th	Rights Offering – Class Discussion Resource Allocation	(Handout) British Aerospace	(24) Euroland
Oct. 14 th	Relevant Cash Flows Mutually Exclusive Invest.	(22) Victoria – A	(23) Victoria - B
Oct. 21 st	Guest Speaker – Bill Wendling, Bedel Financial – 6:30-8pm in Schwitzer #010		
Oct. 28 th	Financing Early-Stage Firms Bus. Segments & Risk/Return	(30) Purinex	(15) Teletech
Nov. 4 th	Financial Flexibility Acquisition Strategies	(35) Deluxe	(45) General Mills & Pillsbury
Nov. 11 th	Hedging Foreign Currency Warrants	(37) Baker Adhesives	(Handout) Chrysler’s Warrants
Nov. 18 th	Valuing the Enterprise	(43) Flinder Valves	(Handout) Brown-Forman Distillers
Nov. 25 th	No Class – Thanksgiving Break		
Dec. 2 nd	WSJ Presentations Final Exam Discussion	Power Point Presentations	
Dec. 9 th	Final Exam Review		