

**The Peter F. Drucker and Masatoshi Ito Graduate School of Management
Claremont Graduate University
MGT 373: Financial Policy and Strategy
Spring 2008**

Dr. Murat Binay

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Class Times: Monday 1:00 - 3:50 pm

Classroom: B14

Office Hours: Monday 4:00 - 4:50 pm

Teaching Assistant:

TBA

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Office Hours: Sunday 12:00 - 12:50 pm B14

Required Text:

- 1) Principles of Corporate Finance, 8th Edition, Richard Brealey, Stewart Myers, and Franklin Allen, McGraw-Hill
- 2) Financial Calculator: Texas Instruments BA II Plus (If you already have one, don't buy a new one, bring the one you already have)

Course Prerequisites:

MGT 335 Corporate Finance

Course Objectives:

The goal of this course is to familiarize you with the tools and techniques used in making financial and strategic business decisions. The course will build on the corporate finance principles studied in MGT 335 with an emphasis on financial and corporate strategy. We will investigate the key financial choices of a corporation and their impact on the overall strategy of the firm, including financial analysis, capital structure choice, payout policy, value creation, mergers and acquisitions, and restructuring. The course will comprise of lectures and case analysis.

Evaluation and Policies:

Your final grade will be determined as follows:

Attendance	10 %	(More than 3 unexcused absences result in a course grade of C-)	
Group case write-ups	30 %		
Peer Evaluation	20 %		
Midterm	20 %	March 10 th ,	Monday
Final	20 %	May 5 th ,	Monday

This course will be heavily based on case studies. Each of you will be assigned to groups to work on the cases. The groups will submit a write-up for each case and be ready to present their analysis to the class when called upon. Each group member is expected to contribute to all case assignments. The group members will evaluate each other's contribution at the end of the semester. We will also have a midterm and a final exam in this course. If you miss the midterm exam due to an officially documented reason that is approved by the University, the midterm will be added to the final, making the final exam's weight 40%. In all other cases where you miss the midterm exam without a documented and approved excuse, you will receive a zero. All exams will be graded

carefully and fairly. However, in the event that you think there is an error in grading, you will have one week to dispute your grade. After that, all grades become final. Any dispute needs to be in writing. There will be no exceptions to any of the rules governing the exams.

I expect to have about 40% of the class to be in the A range (A+, A, A-) and about 45% to place in the B range (B+, B, B-). Finally, a word about academic honesty. I strongly believe that all of you are honest students. The worst thing you can do is to disappoint me in this regard. While I do not expect to see any such action, dishonesty will be punished to the maximum extent, starting with an F for the course grade.

Course Structure:

Below is the outline of the cases and lectures.

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| January 28th: | Lecture: Financial Analysis and Corporate Finance Review |
| February 4th: | Case: Case of the Unidentified Industries--1995 |
| February 11th: | Case: Wilson Lumber Co.
Lecture: Capital structure |
| February 18th: | Lecture: Capital Structure |
| February 25th: | Case: Massey-Ferguson Ltd.--1980
Lecture: Payout Policy |
| March 3rd: | Case: Intel Corp.--1992
Review for Midterm |
| March 10th: | Midterm Exam
Lecture: Free Cash Flow |
| March 24th: | Case: British Satellite Broadcasting vs. Sky Television
Lecture: WACC and APV |
| March 31st: | Case: American Chemical Corp. |
| April 7th: | Case 1: Matching Dell
Case 2: Matching Dell (B): 1998-2003 |
| April 14th: | Lecture: Mergers, Acquisitions, and Corporate Governance |
| April 21st: | Case: Cooper Industries, Inc.
Lecture: Bankruptcy and Restructuring |
| April 28th: | Case: Bankruptcy and Restructuring at Marvel Entertainment Group
Review for Final |
| May 5th: | Final Exam |