This course analyzes the major financial decisions facing corporate managers. The major topics include investment valuation (capital budgeting), capital structure and dividend policy, and mergers and acquisitions. There will be emphasis on both developing the tools and mindset of the financial practitioner as well as examining specific applications in the form of examples and several case discussions.

Each session begins with a lecture. There follows case presentations and discussions.

1. Understand what “maximizing shareholder value” actually means, comprehend the alternative leading methods for measuring company worth
2. Critically evaluate the models, behaviors, and practices of capital structure and investment decisions relating to companies in a multinational environment.
3. Formulate and strategically apply appropriate financial instruments for investment and risk management of multinational projects.
4. Separate fact versus fiction regarding: buy-backs, extraordinary dividends, corporate tax minimization

This must include number of pages of written work and time of oral presentations.
1. Class participation 10%,
2. Homework 20%
3. Group Project 20%,
4. Midterm exam 20%
5. Final Exam 30%

Homework
Hand in 4 of the following 5 homeworks for 5 points each
2 problem sets, 2 Cases, 1 Simulation:
Cases: Diego PLC and UWP
Simulation: Taxodus
(Can be handed in as group assignment up to size 3)

Failure to submit or fulfil any required course component results in failure of the class.
At NYU Stern, we strive to create courses that challenge students intellectually and that meet the Stern standards of academic excellence. To ensure fairness and clarity of grading, the Stern faculty have agreed that for elective courses the individual instructor or department is responsible for determining reasonable grading guidelines. The Finance Department has elected to use the following grading guidelines for this course and all other elective courses. Instructors should award grades of “A” or “A-” to approximately 35% of students in elective courses with enrollments of more than 25 students.

Required Text(s)

Principles of Corporate Finance by Richard A Brealey, Stewart C Myers, Franklin Allen (BM)
McGraw-Hill/Irwin Series in Finance, Insurance, and Real Estate
Either 11th or 12th Edition
ISBN-10: 1259144380

Supplemental Texts(s) (not required to purchase as copies are in NYU-L Library)

Corporate Finance by Jonathan Berk and Peter DeMarzo (BD)
Pearson Series in Finance
4th Edition
ISBN-10: 013408327X

Investment Valuation: Tools and Techniques for Determining the Value of any Asset by Aswath Damodaran, (D1)
Wiley, 3rd Edition
ISBN-10: 1118130731

Applied Corporate Finance by Aswath Damodaran (D2)
Wiley, 4th Edition
ISBN-10: 1118808932

Session 1

Introduction
BM ch 1&2
| Session 2 | Capital Budgeting under Certainty  
BM ch3, 5, 6 |
|-----------|-------------------------------------------------|
| Session 3 | Introduction to Financial Statement Analysis  
BD Ch 2  
Case Diego PLC |
|-----------|-------------------------------------------------|
| Session 4 | Risk & Return and the CAPM  
BM ch 7, 8 |
|-----------|-------------------------------------------------|
| Session 5 | Capital Budgeting under Uncertainty  
BM Ch 9,4  
Case Urban Water Partners |
|-----------|-------------------------------------------------|
| Session 6 | DCF (1) - Valuations Methods  
D2 Ch 12 or D1 Ch 1, 2 |
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| Session 8 | Capital Structure/Financing Decision -- MM & What Matters  
BM 17, 14 |
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| Session 9 | Payout Policy  
BM ch 16 |
|-----------|-------------------------------------------------|
| Session 10 | Raising Capital  
BM ch 15 |
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| Session 12 | M&A, Corporate restructuring and LBOs  
BM ch 31, 32 |
Session 13  
Transfer Pricing and International Tax Strategy

Session 14  
Review

Session 15  
Final Exam

Classroom Etiquette
Mobile phones should be set on silent and should not be used in class except for emergencies. Laptops are only to be used with the express permission of the teacher.

Your Instructor
Diego Salzman is a Senior Teaching Fellow of the UCL School of Management at University College London (UCL). Before joining UCL, Diego held positions at Hult International Business School, the University of Amsterdam, and the Radboud University. Diego holds a PhD in Economics with specialisation in Behavioural Finance and has been a visiting lecturer in Europe, Asia, North and South America.

NYU GLOBAL ACADEMIC POLICIES

Policies and procedures for Global Academic Centres, including policies on academic integrity and the Study Away Standard, can be found here: https://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/student-services.html

Absences: Key information on NYU London’s absence policy, how to report absences, and what kinds of absences can be excused can be found here: http://www.nyu.edu/london/academics/attendance-policy.html

NYU London work submission policies can be found here: http://www.nyu.edu/london/academics/academic-policies.html

Classroom conduct: Academic communities exist to facilitate the process of acquiring and exchanging knowledge and understanding, to enhance the personal and intellectual development of its members, and to advance the interests of society. Essential to this mission is that all members of the University Community are safe and free to engage in a civil process of teaching and learning through their experiences both inside and outside the classroom. Accordingly, no student should engage in any form of behaviour that interferes with the academic or educational process, compromises the personal safety or well-being of another, or disrupts the administration of University programs or services.

Please refer to the NYU London Disruptive Student Behaviour Policy at https://goo.gl/NytSVu for examples of disruptive behaviour and guidelines for response and enforcement.