

# Corporate Finance

## FINC-UB-9007

NYU London: Fall 2022

**Instruction Mode: In person**

### Instructor Information

Diego Salzman  
Office Hours: by appointment  
diego.salzman@nyu.edu

### Course Details

- Thursdays 9.00-11.45
- All times are BST (Daylight Saving Time ends 31 October) or BST.
- Location: G03

### Prerequisites

Foundations of Finance (FINC-UB 2) and Statistics or equivalents.

### Course Description

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

## Course Objectives

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

## Assessment Components

<b>Assignments / Activities</b>	<b>Description of Assignment</b>	<b>% of Final Grade</b>	<b>Due</b>
Class participation		10%	End of the term
Homework	Hand in 4 homework for 5 points each	20%	Beginning of each lecture
Group project	Pitch presentation	20%	
Midterm exam		20%	
Final Exam		30%	

There will be homework assigned every lecture you will have to hand in 4 homework for 5 points each

Examples of homework: Problem sets, Harvard Cases, Simulations

Homework can be handed in groups of maximum 4 members per group

**Failure to submit or fulfill any required course component results in failure of the class**

## Assessment Expectations

<b>Letter Grade</b>	<b>Grade Percentage</b>	<b>Description</b>
<b>A-range</b>	A = 93-100% A- = 90-92%	Excellent:
<b>B-range</b>	B+ = 87-89% B = 84-86% B- = 80-83%	Good
<b>C-range</b>	C+ = 77-79% C = 74-76% C- = 70-73%	Satisfactory
<b>D-range</b>	D+ = 67-69% D = 65-66%	Passing
<b>F</b>	F = below 65%	Failing

## Course Materials

### Required Text(s) & Materials

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 12th or 13th Edition  
ISBN-10: 1260565556  
ISBN-13: 978-1260565553

### Optional Textbooks & Materials

Corporate Finance by Jonathan Berk and Peter DeMarzo (BD)

Pearson Series in Finance

5th Edition

ISBN-10: 013408327X

ISBN-13: 978-0134083278

Investment Valuation: Tools and Techniques for Determining the Value of any Asset by Aswath Damodaran, (D1)

Wiley, 3rd Edition

ISBN-10: 1118130731

ISBN-13: 978-1118130735

Applied Corporate Finance by Aswath Damodaran (D2)

Wiley, 4th Edition

ISBN-10: 1118808932

ISBN-13: 978-1118808931

## Resources

- **Access your course materials:** [NYU Classes](http://nyu.edu/its/classes) (nyu.edu/its/classes)
- **Databases, journal articles, and more:** [Bobst Library](http://library.nyu.edu) (library.nyu.edu)
- **NYUL Library Collection:** [Senate House Library](http://catalogue.libraries.london.ac.uk) (catalogue.libraries.london.ac.uk)
- **Assistance with strengthening your writing:** [NYU Writing Center](http://nyu.mywconline.com) (nyu.mywconline.com)
- **Obtain 24/7 technology assistance:** [IT Help Desk](http://nyu.edu/it/servicedesk) (nyu.edu/it/servicedesk)

## Course Schedule

### Topics & Assignments

Week/Date	Topic	Reading	Assignment Due
Session 1:	Introduction	BM ch 1&2	
Session 2:	Capital Budgeting under Certainty	BM ch3, 5, 6	Problem set
Session 3:	Introduction to Financial Statement Analysis	BD Ch 2	Problem set
Session 4:	Risk & Return and the CAPM	BM ch 7, 8	Harvard Case I

<b>Week/Date</b>	<b>Topic</b>	<b>Reading</b>	<b>Assignment Due</b>
Session 5:	Capital Budgeting under Uncertainty	BM Ch 9,4	Harvard Case II
Session 6:	DCF (1) - Valuations Methods	D2 Ch 12 or D1 Ch 1, 2	Problem set
Session 7:	Midterm		
Session 8:	Capital Structure/Financing Decision -- MM & What Matters	BM 17, 14	
Session 9:	Payout Policy	BM ch 16	Problem set
Session 10:	Raising Capital	BM ch 15	Problem set
Session 11:	M&A, Corporate restructuring and LBOs	BM ch 31, 32	Simulation I
Session 12:	Group Presentations		
Session 13:	Transfer Pricing and International Tax Strategy		Harvard Case III
Session 14:	Review		Simulation II
Final Assessment [date tbc]			

## **Co-Curricular Activities**

- Suggested Trips (you can do this on your own if you are in London)

- Canary Wharf
- The city of London (aka the square mile)
- Berkeley Square

## Course Policies

### Classroom Etiquette

- Please do not eat during class and minimize any other distracting noises (e.g. rustling of papers and leaving the classroom before the break, unless absolutely necessary).
- Make sure to let your classmates finish speaking before you do.
- Students should be respectful and courteous at all times to all participants in class.
- Mobile phones should be set on silent and should not be used in class except for emergencies
- In Class Laptops are only to be used with the express permission of the teacher.

### Final exams

Final exams must be taken at their designated times. Should there be a conflict between your final exams, please bring this to the attention of the London Academics team ([nyul.academics@nyu.edu](mailto:nyul.academics@nyu.edu)). Final exams may not be taken early, and students should not plan to leave the site before the end of the finals period.

### Academic Honesty, Plagiarism and Late Work

Students at Global Academic Centers must follow the [University and school policies](#). You can find details on these topics and more on this section of our NYUL website (<https://www.nyu.edu/london/academics/academic-policies.html>) and on the Policies and Procedures section of the NYU website for students studying away at global sites (<https://www.nyu.edu/academics/studying-abroad/upperclassmen-semester-academic-year-study-away/academic-resources/policies-and-procedures.html>).

### Attendance

Key information on NYU London's absence policy, how to report absences, and what kinds of absences can be excused can be found on our [website](#) (<http://www.nyu.edu/london/academics/attendance-policy.html>)

**To ensure the integrity of the academic experience, class attendance is required and expected promptly when class begins.** These rules apply to class excursions and activities as well.

Members of any religious group may, without penalty, excuse themselves from classes when required in compliance with their religious obligations, but must follow NYU London's absence reporting procedure. Please note that an absence is only excused for the holiday but not for any days of travel that may come before and/or after the holiday. See also [University Calendar Policy on Religious Holidays](#)

## **Moses Accommodations Statement**

Academic accommodations are available for students with documented and registered disabilities. Please contact the Moses Center for Student Accessibility (+1 212-998-4980 or [mosescsd@nyu.edu](mailto:mosescsd@nyu.edu)) for further information. Students who are requesting academic accommodations are advised to reach out to the Moses Center as early as possible in the semester for assistance.

## **Inclusivity Policies and Priorities**

NYU's Office of Global Programs and NYU's global sites are committed to equity, diversity, and inclusion. In order to nurture a more inclusive global university, NYU affirms the value of sharing differing perspectives and encourages open dialogue through a variety of pedagogical approaches. Our goal is to make all students feel included and welcome in all aspects of academic life, including our syllabi, classrooms, and educational activities/spaces.

## **Pronouns and Name Pronunciation (Albert)**

You can edit your pronoun and name pronunciation information on your Albert account, making it visible for faculty and staff. Information on how to do this can be found on the [Pronouns and Name Pronunciation web page](#).

## **Bias Response**

The New York University Bias Response Line provides a mechanism through which members of our community can share or report experiences and concerns of bias, discrimination, or harassing behavior that may occur within our community. For more information, including how to report an incident, visit the [Bias Response Line website](#).

## **Your Lecturer**

Professor Diego Salzman, PhD MSc, CPA. specialises in the areas of behavioural finance, corporate finance, derivatives, and alternative investments. He has received numerous awards for outstanding teaching including the student experience outstanding teaching award. Professor Salzman is a global lecturer in Europe, Asia, North and South America and presented his work to academics and practitioners in more than a hundred speaking engagements. He is recognised internationally as a top global thought leader in matters relating to alternative investments and digital finance.