# EMBA Finance 520: Corporate Finance

**SPRING 2010**

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**Required Text:** *Principles of Corporate Finance*, Brealey, Myers and Allen  
9th Edition

## TENTATIVE SCHEDULE

<table>
<thead>
<tr>
<th>Date</th>
<th>Subject</th>
<th>Assignment</th>
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<tbody>
<tr>
<td>1-25</td>
<td>Corporate Financial Statements</td>
<td>BMA Chpt 29-30</td>
</tr>
<tr>
<td></td>
<td>Industry Standards and Norms</td>
<td>Learn how to use OneSource</td>
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<tr>
<td></td>
<td>Working Capital Management</td>
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<td>2-1</td>
<td>Working Capital Management (Cont.)</td>
<td>BMA Chpt 2-5</td>
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<td></td>
<td>Valuing Stocks and Bonds</td>
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<td>2-8</td>
<td>Adopt-A-Company Report # 1 Due</td>
<td>BMA Chpt 6-7</td>
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<td>Net Present Value Applications</td>
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<tr>
<td>2-15</td>
<td>Net Present Value Applications (Cont.)</td>
<td>BMA Chpt 8-9</td>
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<td>Risk and Return</td>
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</table>
2-22  Cost of Capital
Divisional Cost of Capital
**MIDTERM EXAM (TAKE-HOME EXAM)**

3-1  Real Options
Financial Market Efficiency
Dividend Policy

3-8  Adopt-a-Company Report # 2 Due
Debt Policy and Optimal Debt
Hedging Interest Rate Risk

3-15  Interest Rate Swaps
Credit Default Swaps

SPRING BREAK!!!!

3-29  Adopt-A-Company Report # 3 Due
Introduction to Mergers and Acquisitions
Valuation Procedures

4-5  Takeover Defenses and Takeover Tactics
Corporate Restructuring

**FINAL EXAM (TAKE-HOME EXAM)**
GROUP ACTIVITIES

Group activities are an important part of this class. Each study group will be asked to prepare and present an “adopt-a-company” report. Three adopt-a-company reports have been assigned throughout the semester. For each of these assignments, all study groups must turn in a written report. In addition, several groups will be asked to prepare an in-class presentation.

For the adopt-a-company reports, each study group will be asked to select a company of their choice. Groups are asked to select a company that is publicly traded and that has existed for at least 5 years. Companies that are in or near bankruptcy are also not a good choice. Be sure to select a parent company, not just a subsidiary. It is somewhat easier to select a company that has only one or two major divisions. Banks or other financial institutions should not be selected. Check out the financial information on your company using OneSource. Study groups cannot select the same companies. Therefore, companies are available on a “first-come, first serve” basis. Send me an email or let me know as soon as your group has selected a company. The following list of companies were used last year and cannot be selected this year.

- Amerin
- Pepsi
- Whole Foods
- Gap
- Fedex
- Genentech
- ADM
- Heinz

GROUP GRADING

Each member of the group will receive the same grade on the group report. However, to encourage participation of all group members, you will be asked, near the end of the semester, to allocate points to other members of your group. Each person in the group will be given the following number of points to allocate.

\[(\text{Number of students in your group} - 1) \times 50\]

No one individual can be given more than 100 points or less than 0. Each rating of other group members will be held strictly confidential.
### COURSE GRADE DETERMINATION

<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
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<tbody>
<tr>
<td>Adopt-a-Company Reports</td>
<td>3@ 50 points each</td>
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<tr>
<td>Mid-Term Exam</td>
<td>150</td>
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<tr>
<td>Final Exam</td>
<td>200</td>
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<tr>
<td>Class Participation</td>
<td>50</td>
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<tr>
<td>Group Grading</td>
<td>50</td>
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**TOTAL POINTS** 600

Plus/minus grading is used in this course.