

CORPORATE FINANCE

Fall 2006

Professor:	Peter Went, 312 Taylor, 577.3421 (office), 768.3004 (cell) pwent@bucknell.edu
Office hours:	MW 10:00 – 11:00 am, 2:00 – 3:00 p.m., or by appointment
Class meetings:	MW 8:30 a.m. – 9:52 a.m. 11:00 a.m. – 12:22 p.m. 12:30 p.m. – 1:52 p.m.
Common hour:	All sections W 7:00 – 10:00 p.m.
Midterm:	October 11
Final:	TBD
Textbooks:	Robert C. Higgins, <i>Analysis for Financial Management</i> , 8th edition, Irwin-McGraw-Hill
Required materials:	Harvard Business School cases from the bookstore Hewlett-Packard 10B II Financial Calculator

"Bucknell students are responsible for the preparation and presentation of work representing their own efforts. Acceptance of this responsibility is essential to the educational process and must be considered as an expression of mutual trust, the foundation upon which creative scholarship rests. Students are directed to use great care when preparing all written work and to acknowledge fully the source of all ideas and language other than their own."

Guiding principles

- Learning is a team *effort*. You are here to learn, and I am here to help you learn the material. If you run into problems, find an example complex, or a problem challenging, you should turn to me for help. An email, a phone call, a short meeting in my office or elsewhere on campus usually resolves the problem in minutes.
- I believe that you should have an incentive to work with your fellow students to learn and I should have an incentive to create tests that are fair and achievable by students who study and understand the material.
- Work received after the set or agreed deadline, is not evaluated, unless you are either participating in a Beatles reunion tour with the *original* Beatles or spending time on life-support. Particularly creative excuses may get bonus points, however.
- Outside of class meetings and common hours, you should commit *at least 8 hours* to the material each week
- *Your attendance is required.*

Evaluation

- After grading the finals, I will assign you a final grade based on the cumulative percentage points earned. *I do not adjust the grading scale and I do not negotiate grades. I do not grade on a curve and I do not scale grades.*
- The cut-off points are the traditional. Plus and minus grades are the customary.
- I am a *stickler* for deadlines.

- *Individual* components of the final grades are
 - Homework, 10%
 - Attendance, 10%
 - Midterm, 20%
 - Final, 20%
- *Team* components of the final grades are
 - Case solutions, 30%,
 - Case final, 10%
 - At the end of the semester, you will allocate, anonymously and confidentially, points to the other team members, which will impact the final grades. *I have no control over this part of the evaluation.*
- I encourage you to appeal your quiz and exam grades in writing within one week. Discussions with me during or after class are not grade appeals.
- Opportunities to receive extra credit assignments are *very* limited.

Outline

The enclosed tentative outline is likely to change during the semester and any potential changes to the course are influenced by your input.

Date	Day	Topic
Aug 23	Wed	Chapter 1 – Interpreting financial statements
Aug 28	Mon	Chapter 1
Aug 30	Wed	Chapter 2 – Evaluating financial performance
Sep 04	Mon	Chapter 2
Sep 06	Wed	Case I – Clarkson Lumber
Sep 11	Mon	Chapter 3 – Financial forecasting ***
Sep 13	Wed	Chapter 3
Sep 18	Mon	Case II Tire City
Sep 20	Wed	Case III Hampton Machines
Sep 25	Mon	Chapter 4 – Managing growth
Sep 27	Wed	Case IV STC
Oct 02	Mon	Chapter 5 – Financial instruments and markets
Oct 04	Wed	Chapter 6 – The financing decision
Oct 09	Mon	Case V Continental Carriers
Oct 11	Wed	<u>Midterm</u>
Oct 16	Mon	<i>Fall break</i>
Oct 18	Wed	Chapter 7 – DCF techniques ***
Oct 23	Mon	Chapter 7 ***
Oct 25	Wed	Case VI Bond
Oct 30	Mon	Chapter 7 ***
Nov 01	Wed	Case VII – Tristar
Nov 06	Mon	Case VIII - My case
Nov 08	Wed	Case IX - Economy shipping
Nov 13	Mon	Chapter 8 – Risk analysis in investment decisions
Nov 15	Wed	Chapter 8
Nov 20	Mon	Case X - TBD
Nov 22	Wed	<i>Thanksgiving</i>
Nov 27	Mon	Derivatives
Nov 29	Wed	Derivatives
Dec 04	Mon	<u>Last day of class</u>

*** Challenging material