

**Course:** FINA 6242 Advanced Corporate Analysis and Decisions  
**Credits:** 4 credits  
**Prerequisites:** FINA 6241

## Description

FINA 6242 is an advanced corporate finance course focusing on the firm's financial decisions making. In this course we will take the view that one of the central goal of a corporate manager is to create value for providers of capital. As equity is the residual claimant, the corporate managers will be often assumed to take the equity holders point of view. In order to create value it is important to be able to quantify value. So a fair bit of effort is devoted to the interplay between valuation and decision making. The course includes the following topics: (i) Applying Valuation Methods in a Decision-Making Setting; (ii) Mergers and Acquisitions; (iii) Corporate Restructuring; and (iii) Financial Engineering. The course is suitable for anyone planning a career in corporate finance, investment banking, or financial consulting.

## Objectives

1. Provide an in-depth understanding of various methods available to corporate managers to enhance the value for the shareholders. Some of the corporate transactions discussed in detail are Mergers & Acquisitions, Leveraged Buy-outs, Leveraged Recapitalizations, Spin-offs, Equity Carve-outs, and Issuance of convertible securities.
2. Make students conversant with different valuation techniques and their relative suitability.
3. Develop the use of option pricing methodology for evaluating corporate financial innovations and corporate decision making.

## Learning Outcomes

After taking this course students will demonstrate knowledge of:

- Valuation of companies and projects.
- The implications of alternative capital structures.
- Costs and benefits of corporate restructuring.
- Mergers and Acquisitions
- Use of real option-pricing methodologies, such as the Black-Scholes option pricing formula and/or the binomial model, to evaluate financial decisions.