Bemidji State University

BUAD 4779: Corporate Financial Policies

A. COURSE DESCRIPTION

Credits: 3
Lecture Hours/Week: *.*
Lab Hours/Week: *.*
OJT Hours/Week: *.*

Prerequisites:
This course requires the following prerequisite
BUAD 3772 - Advanced Financial Management

Corequisites: None
MnTC Goals: None

Analysis of financial concepts as they apply to financial decisions with an in-depth study of the scope and nature of corporate finance. Prerequisite: BUAD 3772

B. COURSE EFFECTIVE DATES: 08/20/1997 - Present

C. OUTLINE OF MAJOR CONTENT AREAS

1. Ethics in Finance
2. Setting Some Themes
   Case 1: Warren E. Buffett, 2005
   Case 4: FedEx vs. UPS, Inc.
3. Financial Analysis and Forecasting
   Case 6: The Financial Detective 2005
   Case 9: Horniman Horticulture
4. Estimating the Cost of Capital
   Case 14: Nike, Inc: Cost of Capital
   Case 15: Teletech Corporation, 2005
5. Capital Budgeting and Resource Allocation
   Case 17: The Investment Detective
   Case 18: Worldwide Paper Company
   Case 20: Aurora Textile Company
   Case 25: Star River Electronics Ltd.
6. Management of the Corporate Capital Structure
   Case 31: An Introduction to Debt Policy and Value
   Case 34: Wm Wrigley Jr. Company
7. Management of the Firm’s Equity: Dividends, Repurchases, Initial Offerings
   Case 28: JetBlue Airways IPO Valuation
8. Valuing the Enterprise: Acquisitions and Buyouts
   Case 41: Methods of Valuation for Mergers and Acquisitions
   Case 48: Hostile Takeovers: A Primer for the Decision Maker
D. LEARNING OUTCOMES (General)

1. be able to assess company performance against a capital-market efficiency benchmark
2. be able to identify and evaluate relevant financial, break-even, and ratio information on which to base informed decisions and forecasts
3. be able to measure/estimate the costs of capital for firms and their business segments
4. be able to compare and contrast the capital asset pricing model with the dividend-growth and other models
5. be able to evaluate investment opportunities and capital budgets, including the estimation of free cash flows, the comparison of various investment criteria, the treatment of mutually exclusive investments, and the condition of capital rationing
6. be able to evaluate the merit of several corporate structure decisions including dividends or share repurchase decisions, appropriate levels of leverage, and reallocation of value in financial distress
7. be able to recommend capital budgeting and corporate structure decisions for realistic business cases
8. demonstrate effective written communication, oral communication and presentation skills
9. demonstrate ability to work effectively as part of a team

E. Minnesota Transfer Curriculum Goal Area(s) and Competencies

None

F. LEARNER OUTCOMES ASSESSMENT

As noted on course syllabus

G. SPECIAL INFORMATION

None noted