

Course: Finance 6210 – Case Studies in Finance
Semester: Fall 2015
Instructor: Dr. Joe Smolira
Credit: 2 hours
Location: MC 110
Meeting time: 6:15 – 9:00 M – W
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Office hours: Mon: 4:00 – 6:15
Tue: 3:15 – 6:15
Thurs: 3:15 – 6:15
and by appointment

Course Description:

This course provides an application of financial theory to financial problems faced by corporations.
Prerequisite: FIN 6100

Course objective:

Upon completion of the course, the student will have a deeper understanding of the application of finance topics to problems faced by corporations.

Objectives of the Massey Graduate School of Business Administration:

- To provide a personalized career-oriented and practical educational program in Business Administration which emphasizes the four themes of: leadership, innovation, private enterprise and entrepreneurship.
- To equip students with the ability to: 1) communicate effectively, 2) think critically, and 3) make enlightened judgments about their environment.
- To emphasize quality classroom instruction within the parameters of Christian principles.

Text and supplementary materials:

The following cases/notes are required for the class:

UVA-F-1162 – The Financial Detective, 1996

UVA-F-0981 – Pepsico, Inc.: Cost of Capital

UVA-F-1020 – Empirical Chemicals LTD. (A): The Merseyside Project

UVA-F-0930 – General Motors: Valuation of Class E Contingent Notes

UVA-F-1326 – General Mills Acquisition of Pillsbury from Diageo PLC

UVA-F-0850 – Sallie Mae: Reverse Yen PERLSSM Issue

Course Policies and Procedures:

Learning in the class will be primarily from the preparation, presentation, and discussion of assigned cases. The preparation of cases is intended to encourage the student to apply concepts to a real world situation. Cases will be prepared in groups of 2 or 3 students. The grade for each case will be based 80% on the written case and 20% on class participation during the discussion of the case. Cases are due at the beginning of class on the day they are to be discussed. Late cases will not be accepted. Class participation means in part that you ask questions of the presenting group about their assumptions, facts, and analysis.

The following format is appropriate for written presentation of case material.

A. *Statement of the problem:* This should be one sentence describing the problem or issue raised in the case.

B. *Relevant Facts:* This section should be a short summary of the facts of the case that are relevant to the solution of the case.

C. *Assumptions:* Any case analysis contains uncertainty. In order to successfully prosecute the case, assumptions are necessary for systematic and logical analysis.

D. *Analysis:* The analysis of the case is most important and should contain the bulk of the effort expended on the case. Your analysis should proceed along logical lines of thought building toward a conclusion that addresses the problem statement. All charts, graphics, spreadsheets or tables should be placed in an Appendix rather than the body of the text. Use any tools to illustrate the issues posed by the case.

E. *Recommendations:* A recommended course of action should be made that addresses the problem outlined at the beginning of the case analysis.

The final grade for the cases for each student is a combination of the project grade and peer reviews. Student team members will grade one another on their performance as a team member on each case. The total points for each team member will be the total points given as a grade multiplied by the average given by team members. Each student will evaluate all other team members as well as themselves.

Grading:

There will be a total of 210 points available in the class. The breakdown of the points is:

Case #1	20 points
Case #2	40 points
Case #3	40 points
Case #4	40 points
Case #5	40 points
Case #6	<u>30 points</u>
TOTAL	210 points

<u>Grade</u>	<u>Points</u>		
A	195-210	C+	162-167
A-	189-194	C	153-161
B+	183-188	C-	147-152
B	174-182	F	< 147
B-	168-171		

Tentative Class Schedule: (NOTE: The class schedule is subject to change if necessary.)

<u>Dates</u>		<u>Chapter(s)</u>
Nov	9	Introduction, Ratio Analysis
	11	Case #1: The Financial Detective, 1996 Cost of Capital
	16	Case #2: UVA-F-0981 – Pepsico, Inc.: Cost of Capital
	18	Capital Budgeting
	23	Case #3: UVA-F-1020 – Empirical Chemicals LTD. (A): The Merseyside Project
	30	Options
Dec	2	Case #4: UVA-F-1326 – General Mills Acquisition of Pillsbury from Diageo PLC
	7	Case #5: UVA-F-0930 – General Motors: Valuation of Class E Contingent Notes
	9	International
	14	Case #6: UVA-F-0850 – Sallie Mae: Reverse Yen PERLS SM Issue