

# 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 13: Best Practices in Estimating the Cost of Capital: Survey and Synthesis  
Case 14: Nike, Inc: Cost of Capital  
Case 15: Teletch 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