

DUKE UNIVERSITY

**EGM 532 – ADVANCED CORPORATE FINANCE
FOR TECHNOLOGY BASED FIRMS**

SPRING 2022

SYLLABUS

C. J. SKENDER

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Course Description

The course provides an in-depth coverage of corporate finance. Topics include valuation, tools of financial analysis and planning, working capital management, investment in capital assets, cost of capital, capital structure, dividend policy, intermediate and long-term financing, convertibles, exchangeables, warrants, mergers, corporate restructuring and international finance. The purposes of this course are to reacquaint you with complex corporate financial reporting requirements and techniques and to enable you to develop a framework for analyzing and making intelligent decisions regarding advanced finance topics and issues. The concepts, theory, and technical details will be examined carefully. Questions and problems will provide vehicles for class discussion. After successfully completing this course you will be comfortable in a corporate finance decision making capacity.

Course Materials

Fundamentals of Financial Management by James C. Van Horne and John M. Wachowicz, Jr., 13th edition, published by Prentice Hall Financial Times, 2009. This is one of the texts used in EGM 530. A digital version of the text is available through Duke Student Stores. Inexpensive used copies are available at amazon.com. Weekly handouts will be available on sakai. Additional materials will also be distributed when necessary.

Course requirements

(1) Class Attendance and Preparation

Students are expected to attend all sessions. You should read appropriate materials prior to class. The more you prepare prior to the lecture, the more comfortable you will be when this topic is covered in class. You are encouraged to attempt the assigned problems before class, but don't get "bogged down" in details until after the class presentation.

(2) Homework

Several homework questions and problems are listed on the pages that follow. You may be required to show evidence that you attempted the assignment. You are encouraged to work in groups if possible. Solutions will be covered to the extent possible during class or they will be distributed.

(3) Tests and Examinations

There will be 2 open book open note tests due on Thursday, February 10, 2022 and Thursday, March 24, 2022. These take-homes will be done individually. There will be a three-hour final given on Thursday, April 14, 2022. This will also be done open book open note on an individual basis.

(4) Grading

Final course grades will be determined by the following allocation:

25% take-home test #1 **(due 2/10/22)**
25% take-home test #2 **(due 3/24/22)**
50% final examination **(4/14/22, 3:00 to 6:00 p.m.)**
100%

(5) The Honor Code

Duke University is a community of scholars and learners, committed to the principles of honesty, trustworthiness, fairness, and respect for others. Students share with faculty and staff the responsibility for promoting a climate of integrity. As citizens of this community, students are expected to adhere to these fundamental values at all times, in both their academic and non-academic endeavors. You are expected to follow the Duke University Honor Code and the Duke University rules for all Covid-19 procedures. Specific issues concerning homework, tests and the final examination will be discussed in class.

EGM 532 Advanced Corporate Finance for Technology Based Firms

CLASS 1 1/6	ROLE	1	Q: 3,7,9,11
	BUSINESS, TAX, FINANCIAL	2	Q: 1,5,11,12,16,17,22; P: 1,2,3,4,5,6
	TIME VALUE OF MONEY	3	Q: 3,4,9,10,11,12; P: 3,6,12,17,18,21,22
CLASS 2 1/13	VALUATION	4	Q: 1,3,4,5,8,11; P: 1,2,3,4,5,6,7,14
	RISK AND RETURN	5	Q: 1,4,5,7,8; P: 1,2,4,6,9
CLASS 3 1/20	STATEMENT ANALYSIS	6	Q: 2,3,4,6,7,10; P: 1,4,5,9
	CASH FLOW AND PLANNING	7	Q: 2,3,7,9,11,12; P: 1,2,4,8
CLASS 4 1/27	WORKING CAPITAL	8	Q: 1,2,4,6,7,9,12; P: 1,3
	CASH AND MKT. SECURITIES	9	Q: 1,2,3,4,5,6,7,8,11,12,13,14; P: 1,2,3,4
CLASS 5 2/3	A/R AND INVENTORY	10	Q: 1,2,3,4,7,8,9,10,14; P: 1,2,5,8,9,10
	SHORT-TERM FINANCING	11	Q: 1,2,3,4,7,8,9,10,16,17; P: 1,2,5,6,9
CLASS 6 2/10	EXAM #1 DUE		
	CASH FLOWS AND CAP. BUD. TECHNIQUES	12 13	Q: 1,2,3,4; P: 1,2,3,4,5 Q: 2,3,4,5,8,9; P: 1,2,3,4,5,6,7,8,9

CLASS 7 2/17	RISK AND OPTIONS	14	Q: 1,2,3,5,6,7,8,10,11; P: 1,2,3,4,5
CLASS 8 2/24	RETURNS/COST OF CAPITAL OPERATING/FIN. LEVERAGE	15 16	Q: 1,2,3,7,10,11; P: 1,2,5,6,7,8 Q: 1,2,3,4,7,8,10,12; P: 1,2,3,4
CLASS 9 3/3	CAPITAL STRUCTURE	17	Q: 1,2,3,4,5,8,9,10; P: 1,2,3,4,5
CLASS 10 3/17	DIVIDEND POLICY CAPITAL MARKET	18 19	Q: 1,2,4,5,6,11,14,16; P: 1,4,5,6 Q: 3,4,8,10,15; P: 1,2,3,4
CLASS 11 3/24	EXAM # 2 DUE LTD, PS, CS TERM LOANS AND LEASES CONV., EXCH., WARRANTS	20 21 22	Q: 1,2,4,9,11; P: 1,2,3,5,6,7 Q: 4,9,10,11,12; P: 1,2,3,4,5 Q: 1,2,3,4,6,7,11,12,15; P: 1,2,3,5
CLASS 12 3/31	MERGERS, RESTRUCTURING INTERNATIONAL	23 24	Q: 1,2,3,8,9,10,11,13,19,20; P: 4,5,6,7,9 Q: 5,6,7,8,9; P: 1,2,5,6,7
CLASS 13 4/7	REVIEW FOR EXAM		
CLASS 14 4/14	FINAL EXAMINATION (3:00 to 6:00 p.m.)		

Minor adjustments in the syllabus may be necessary and will be made at the discretion of the instructor. These will be announced in advance.