

Northwestern University
2311 Campus Drive 1440
Mondays 6:30 p.m. – 9:30 p.m.

Course Objective: This course provides an overview of corporate finance, with an emphasis on valuation. The objective of the course is to apply basic insights from finance theory to real-world business decisions.

Textbook: Richard A. Brealey, Stewart C. Myers and Franklin Allen, *Principles of Corporate Finance*, 11/e, McGraw-Hill, 2014. **Readings and Cases:** We also will use several extra readings and case studies.

Technology: We will use Microsoft Excel and @Risk (a simulation software) in this course. IEMS has a site license to @Risk.

Grading: Grading will be based on four group assignments (60 percent) and an individual final project (40 percent). The final project is due **June 6, 2016**. Assignments and final project should be submitted as **one pdf** file via Canvas. This **one** file should contain all of your work product and attachments. Please name the file with your lastname(s) and assignment number.

Course Outline:

- **March 28:**
 - Course Overview
 - Analysis of Financial Statements
 - Reading: Chapters 1 & 28
- **April 4:**
 - Foundations of Net Present Value
 - Investment Decisions Using Net Present Value
 - Reading: Chapters 2, 5, & 6
- **April 11:**
 - Introduction to Risk
 - Reading: Chapters 7, 8, & 9
 - Deadline: **Assignment 1**

- **April 18:**
 - Valuing Bonds
 - Reading: Chapter 3
- **April 25:**
 - Valuing Stocks
 - Reading: Chapters 4 & 13
 - Deadline: **Assignment 2**
- **May 2:**
 - Incorporating Risk in Project Valuation
 - Sensitivity Analysis | Monte Carlo Simulation
 - Reading: Chapter 10
- **May 9:**
 - Valuation Case Studies
 - Deadline: **Assignment 3**
- **May 16:**
 - Valuing Financial Options
 - Reading: Chapters 20 & 21
- **May 23:**
 - Valuing Real Options
 - Reading: Chapter 22
 - Deadline: **Assignment 4**
- **May 30:** **Memorial Day: No Class**
- **June 6:**
 - Managing Risk
 - Course Review
 - Reading: Chapters 26, 27, & 34