FIN 551 Problems in Business Finance
Course Overview
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COURSE OVERVIEW:

This class uses the case method to examine corporate financing and investment decisions and related issues in corporate financial strategy. The course is organized into four sections:

1. Short-Term Financial Management
2. Capital Structure
3. Capital Budgeting
4. Firm Valuation and Corporate Restructuring

The first two sections of the course deal with two important problems relating to raising capital: managing the cash flowing through the business and financing company operations. In the last two sections, we turn our attention to evaluating investment opportunities, estimating discount rates, valuing firms, and analyzing mergers, corporate restructuring, and bankruptcy.

LEARNING OBJECTIVES:

When you complete this course, you should be able to:

- Analyze a company’s financial statements and draw inferences about the firm’s strengths and weaknesses.
- Use a computer spreadsheet to create pro forma financial forecasts.
- Evaluate the appropriate balance between debt and equity capital.
- Identify an investment’s relevant costs and benefits to calculate free cash flows.
- Estimate a company's weighted-average cost of capital and understand its role in investment decision making.
- Use discounted cash flow techniques to analyze investment opportunities and value firms.
- Use valuation techniques to analyze strategic corporate financial business alternatives.

GRADING:

Grading will consist of three components, in (approximately) equal weights: class participation, individual case write-ups, and group case write-ups.

RELATION TO OTHER FINANCE ELECTIVES:

This course is a general corporate finance class which combines highlights of material previously taught in FIN 552 and FIN 553 (although it has been several years since we offered FIN 553). The first half of FIN 551 will cover material from FIN 552 (short-term financial management and capital structure). The second half of FIN 551 will cover material from FIN 553 (capital budgeting, firm valuation and corporate restructuring). This class will not dig as deeply into
some of the more technical issues previously covered in FIN 552/533. Rather, it will cover a broad range of general corporate finance topics.

There is a small amount of overlap between this material and topics covered in our other corporate finance electives: FIN 556 (Valuation), FIN 557 (Entrepreneurial Finance), and FIN 558 (Mergers and Acquisitions). I work to make sure the material in FIN 551 compliments the content from these other classes and minimizes any redundancies.

TARGET MARKET:

The goal of a case class is to apply finance theory from core finance to real-world business decisions. This class is well suited to someone who is pursuing a career in a non-finance area and would like to take one more class in finance. It is also appropriate for a finance specialist who would like to include an applied corporate finance class as part of his or her portfolio of elective classes.