SYLLABUS

CORPORATE FINANCE
Hofstra University School of Law
Professor Shipkevich

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1. Introduction

This is an upper class course. The class will be taught as a seminar where class participation is not only encouraged but required. It is my objective to make this class both informative and interesting for you. In each class we will not only discuss the reading assignment, but also provide and digest real world examples for that specific subject matter.

2. Materials; Reading Assignments

The required material for this class is Lubben’s Corporate Finance. From time to time, I may assign additional online reading materials.

3. Class Preparation and Participation

I would prefer not to call on people in class. I encourage an open dialogue and discussion of legal issues with your colleagues.

Attendance is mandatory. We have a total of thirteen classes this semester. Missing one class means that you missed nearly eight percent of the total classroom participation. Please email me in advance if you have a reasonable excuse for missing a class. Continuous class absence without prior notice and reasonable excuse will negatively affect your final grade.

4. Grading; Examination

The first, final, and only exam will be a 24-hour take-home exam. Regular preparation, class participation, and analogous intangibles are important for your overall success in this course.

If you offer to do a 20 minute presentation for a class, you can increase your grade by ½ a grade.

5. Office Hours; Contact Information
As an adjunct I do not have regular office hours, but I am happy to meet with you every Thursday before or after class. I am also available by email and phone for any questions about this course or course materials.

Class 1

Reading Assignment: Lubben Introduction, Chapter 1, and Chapter 2.

Discussion points
a) What is corporate finance?
b) How has corporate finance evolved in the 21st Century?
c) How do we value the firm?
d) Balance sheets, income statements, cash flow statements consolidated reports, and liquidity.
e) Present and future values, multiple period and future values, perpetuities, and annuities.

Class 2

Reading Assignment: Lubben Chapter 3, Chapter 4, and Chapter 5.

Discussion points
a) Discount rates
b) What is expected return?
c) Determining opportunity cost of capital
d) Capital structure and the absolute priority rule
e) NPV Rule
f) Internal Rate of Return
g) Valuing bonds, type of bonds and bond rating

Class 3

Reading Assignment: Lubben Chapter 6 and Chapter 7

Discussion points
a) Risk and return
b) Diversification
c) Efficient capital markets hypothesis

Class 4

Reading Assignment: Lubben Chapter 8 and Chapter 9
Discussion points
   a) Finding an efficient capital structure
   b) Dividends
   c) Share buybacks
   d) Corporate

Class 5

Reading Assignment: Lubben Chapter 10, Chapter 14, and Chapter 15

Discussion points
   a) Debt and taxes
   b) Leverage
   c) Cost of debt
   d) Valuation
   e) All about bond indentures
   f) Bonds after the indenture

Class 6

Reading Assignment: Lubben Chapter 16 and Chapter 17

Discussion points
   a) Loan structures
   b) Loan administration
   c) Collateral
   d) Defaulting
   e) Options and option pricing
   f) Warrants
   g) Convertibles

Class 7

Reading Assignment: Lubben Chapter 18

Discussion points
   a) Let’s talk derivatives
   b) Forwards, Futures and Spot
   c) Swaps
   d) Leverage
   e) Margin
Class 8

Reading Assignment: Lubben Chapter 19

Discussion points
   a) Asset securitization
   b) Documentation
   c) Drawbacks of securitization

Class 9

Reading Assignment: Lubben Chapter 20

Discussion points
   a) Hedge Funds
   b) Private Equity Funds
   c) Venture Capitalists
   d) Family Offices

Class 10

Reading Assignment: Lubben Chapter 21

Discussion points
   a) VC Funds
   b) Structure
   c) Governance & Exit

Class 11

Reading Assignment: Lubben Chapter 22

Discussion points
   a) M&A agreements
   b) Types of structures
   c) Break-up fees

Class 12

Reading Assignment: Lubben Chapter 23 and Chapter 24
Discussion points

a) Tender offers
b) Structural issues
c) Poison pills
d) Asset sale
e) Asset sale vs equity sale
f) Agreements

Class 13

Reading Assignment: Lubben Chapter 25

a) Leveraged buyouts and distressed acquisitions
b) Financing LBO
c) WARN Act