

PTHE OHIO STATE UNIVERSITY
Fisher College of Business
Department of Finance

COURSE SYLLABUS

Finance 7210

CORPORATE FINANCING

Autumn Semester (Term I) 2025 – MBA Section

Wednesdays, 6:15-9:30PM, ROOM 355 Gerlach

Instructor Information

Prof. George Pinteris
Office: 306A Fisher Hall
Office Hours: see section below
Office Phone: 614-292-4334
E-mail: pinteris.1@osu.edu

Course Description

This course is an extension of MBA 6223 (Finance) and BUSFIN 7238 (Valuation Analysis). In these courses, you were introduced to a set of fundamental techniques for financial analysis and applied them to examine the firm's capital budgeting (or investment) decision.

BUSFIN 7210 builds upon the principles of corporate finance covered in this core finance course to address the firm's two other main financial decisions, which involve its capital structure and payout policies. Specifically, we begin by examining the firm's capital structure (or financing) decision, which examines the amount and mix of financing required to finance investment projects. We will then examine the firm's payout decision, which involves when and how much of the firm's free cash flow should be returned to its owners. In addition to the above two main financial decisions, the course will also introduce the topics of Initial Public Offerings (IPO) and managing cash flow. A broad objective of the course is to help you understand how a CFO and other senior financial managers make key financial decisions.

Pedagogy

Course material will be delivered through a mixture of lectures and case discussions. You will have the opportunity to practice your knowledge through a mini project and speaker presentations. I intend to deliver an applied-oriented course based on a solid understanding of the underlying principles of corporate finance. Case discussions will enable you to practice your understanding of the covered topics in a real-life setting.

Occasionally, I will supplement your readings with articles from applied-oriented finance academic journals and the business press. My goal is to enhance your understanding of how managers and analysts view the key financial decisions faced by today's public and private firms.

Course Prerequisites

The only prerequisite is that MBA students have completed MBA 6223. It is my intention to teach a self-contained course, meaning that I will provide brief reviews of background concepts when needed.

Textbooks and Course Materials

I have assigned one recommended textbook and a list of cases for class discussion. I also list below a few other useful texts for your reference. Please NOTE that these other textbooks are NOT listed as recommended for this course.

The recommended textbook is:

- *Corporate Finance*, by Jonathan Berk and Peter DeMarzo, 6th edition, Prentice Hall, 2023 (5th edition or earlier is also fine)

Lecture notes, case discussion preparatory questions, as well as supplemental readings and handouts will be posted on the course web page. The course web page is available through Canvas, the university's course management system (<http://carmen.osu.edu>). Materials will be posted on Canvas no later than one day prior to class.

I strongly recommend that you check the course web page regularly. Under "People" you can see the students in the course.

Other useful texts are:

- *Applied Corporate Finance*, by Aswath Damodaran, 3rd edition, John Wiley, 2010
- *Strategic Corporate Finance: Applications in Valuation & Capital Structure*, by Justin Pettit, John Wiley, 2007
- *The Revolution in Corporate Finance*, by Joel M. Stern and Donald H. Chew, Jr. (Eds), 4th edition, Blackwell Publishing, 2003
- *Behavioral Corporate Finance: Decisions that Create Value*, by Hersh Shefrin, McGraw-Hill, 2007
- *Lessons in Corporate Finance*, by Paul Asquith and Lawrence Weiss, John Wiley, 2nd edition, 2019

Case Discussions

To enhance your understanding of course material, we will discuss five cases in class. Cases present real-world, complex problems faced by financial managers that require

analysis and use of judgment to reach important business decisions. Cases are used extensively in most graduate business courses.

The use of case studies is a very effective learning method because it emphasizes student self-learning rather than a passive absorption of knowledge. Students learn to develop their critical thinking and use their judgment to make decisions. Case studies do not always lead to the “right” or “one” course of action for the decision maker. Rather, decisions are justified based upon sound financial assumptions and a thorough analysis of the situation at hand. Therefore, the analysis and discussion of cases is very useful because it teaches students how to use the principles of finance to define and analyze problems, work as a member of a team, and make recommendations for the best course of action.

You are expected to purchase the following cases from *HBS* (see email message with coursepack link):

- *Structuring Corporate Financial Policy*
- *Stone Container Corporation (A)*
- *Mylocorp: Financing the Production of Rare Earth Minerals (A)*
- *AB InBev's Dividend Decision*
- *Bizzy Coffee*

Each team is **expected to submit ONE CASE BRIEF (PLEASE SEE COURSE SCHEDULE) on the day of that case discussion.**

Case briefs should be of **MAXIMUM 2 PAGES** and include the following: a) statement of main issue(s) in the case; b) financial analysis of main issues; c) recommendations to upper management. You **MUST** use 12-point font, double-spaced paragraphs, and default Microsoft Word margins. There is no limit on the number of attached exhibits.

PLEASE NOTE THAT ACCORDING TO STANDARD CASE DISCUSSION PRACTICE THE INSTRUCTOR IS NOT ALLOWED TO DISCUSS THE CASE WITH ANY STUDENT BEFORE THE SCHEDULED CLASS DISCUSSION.

You are expected to purchase a copy of each case. HBS provides a class roster of students who have purchased the coursepack. I intend to review the roster periodically to ensure that all students have purchased copies of all cases. Note that cases are copyrighted material and thus no sharing, photocopying, transmitting or otherwise reproduced in any form, print or electronic, is allowed without the explicit permission of the publisher. This is a violation of academic integrity standards. Students who fail to comply with this expectation will be reported to the Committee on Academic Misconduct.

Class Format

Courses that use the case method of teaching have a very different class format from other courses that you have taken thus far in your studies. In other courses, students are engaged in a passive form of learning and are expected to learn and practice skills primarily through homework and exams. Courses that utilize the “case study” method assume an active form of learning on the part of students. The following four principles are **ESSENTIAL** components of a student's success in a case course:

- **Participation:** Learning in a case course takes place primarily through active class participation. Students are strongly encouraged and are responsible for sharing their understanding and views on each case with the rest of the class. As you can tell from the grade composition, class participation is very important and comprises a significant portion of your course grade.
- **Preparation:** To effectively participate in class discussion of cases, students MUST come to class well prepared. Students should study each assigned case in advance, identify the main participants and the problem(s) faced, and prepare to ask and answer questions. It is very important that you work to analyze the case before it is discussed in class. You must be prepared to offer your judgment and recommendation for the situation presented in each case. You should feel free to visit me during office hours or set up an appointment, if you need help with preparing for a case. In addition, you should read any assigned background readings. Again, I emphasize that students must prepare well before arriving to class.
- **Presence:** The only way to learn and succeed in this course is to be present and participate in each and every class. Reading a text or copying notes from your fellow students CANNOT substitute for the insight and knowledge that you will acquire through participation in class discussions.
- **Promptness:** Students must make sure that they arrive before the beginning of each class. Students who arrive to class late disrupt the discussion and impose a burden on their fellow students' learning experience. If, for some reason, you happen to arrive to class late, please enter quietly and do not disturb your fellow students.

It is clear from the above that students must make a **commitment** to prepare for each case and actively participate in class discussions. This point cannot be emphasized enough! You should be prepared to answer questions or offer your opinion on the case under discussion. I also strongly encourage you to take a stand and offer your recommendation for action by management based upon your analysis. Remember, case studies describe real-world business situations. There is typically more than one course of action that can be taken. It is not important to discover which particular action will eventually be taken as it is to learn to provide a recommendation based on financial principles and solid analysis.

I **strongly** encourage you to read the handout "Note to the Student: How to Study and Discuss Cases" by Robert F. Bruner.

Teamwork

A major aspect of any graduate business program is to provide students multiple opportunities to develop leadership, teamwork, and presentation skills. These so-called *soft skills* are crucial for an effective job search and a successful career in the financial world. You are asked to form teams of 4-5 students with diverse ethnic, educational, and professional backgrounds. I encourage you to form mixed FT MBA-WP MBA teams. This working environment will challenge you as you learn to become an effective leader and a productive team member.

One case brief, the mini project and presentation will be completed with your teammates. Each team member is responsible for his/her performance. I strongly advise you to read the suggestions for effective team performance provided further below. **Please send me an email with the list of your teammates by September 10.**

Each student will be asked toward the end of the course to evaluate the performance of his/her teammates. A student's performance evaluation by his/her peers will be taken into consideration for the final grade. You should be fair and honest in your evaluation of your peers' performance. Each team member should exhibit enough effort throughout the course. This will be your ONLY opportunity to evaluate your teammates. A team that fails to submit evaluations from all team members will receive ZERO POINTS on the course team assignments.

Grading Procedures and Policies

- **Course Grade:** The course grade will be based on the following: class contributions in all case discussions and speaker events, one team case brief, and a team mini project and presentation. Instructions for the team mini project will be provided within the next two weeks. I will provide solutions to homework assignments.

The final grade composition is as follows:

Class Contributions	35%
Memo to CFO	30%
Memo Presentation	20%
Case Brief	15%

As required by school policy, grading will be based on relative rather than absolute standards. The average grade in this course will be a 3.6 or lower.

- **Team Case Brief:** You will be asked to submit one team case brief for the **AB InBev's Dividend Decision** case. This brief will comprise 15% of your final grade. **Your team case brief must be submitted electronically through Carmen and will be checked through Turnitin for plagiarism (please see section on Academic Integrity below for more information on Turnitin). Please see formatting instructions in section titled "Case Discussions" above.**
- **Memo to CFO and Presentation:** To practice your learning in the course, you will be asked to work on a team mini project and make a presentation. You will take on the role of an analyst working under the CFO of a public corporation who is asked to prepare a memo with an analysis and assessment of the company's financial policies focusing on the financing and payout decisions. Each team will select a public company following the project guidelines. Teams will have 4-5 members and will need my approval. You will present your assessment and recommendations during class on October 8 and submit your memo on the same day. The memo and presentation will together account for 50% of your course grade.

On Wednesday, October 8, 6:15-9:30pm in 355 Gerlach Hall, each team will present their assessment and recommendations. Each team's memo shall be no more than FOUR double-spaced typewritten pages. Exhibits are not included in this limit. Detailed instructions for the project will be provided within the next two weeks.

Upon completing their work, teams will submit their memo and presentation to me via e-mail by Tuesday, October 7. In the e-mail, you must also include the following statement: *"On my honor as a student at the Fisher College of Business, I have neither given nor received unauthorized aid on this exam"*. Please type the names of all team members below the pledge, which affirms the credibility of your pledge.

- **Participation grade:** The quality of your participation will be graded after each class discussion on a scale of zero to three points. Participation grades will be based on the following criteria:
 - 0 points: No participation or observations
 - 1 point: Contributes relevant information or facts, asks critical questions concerning the discussion in class, reading assignments and responses to comments of classmates
 - 2 points: Provides an interpretation of relevant information and/or facts that is based on analysis and, in turn, advances the discussion to other related topics
 - 3 points: Provides contributions that leads the discussion to a significantly higher level of thought; or presents an analysis and interpretation of the relevant information that results in a solution to the case

You are encouraged to work independently in preparing each case. However, it will be very helpful to form a study group in order to discuss your analysis and interpretation of each case, which will help you to prepare more effectively for class.

Each student is permitted to have NO MORE THAN ONE excused absence throughout the term. Please notify me of your absence before the specific date by e-mail.

Please note the following rules for class participation:

- Select a seat and use the same spot in each and every class.
- Always use your nameplate (do not forget to bring it with you to class).
- **Office Hours:** I will have office hours on Tuesdays, 11:00AM - 12:00PM or by appointment. These hours are especially for the benefit of students in this course. I also encourage you to schedule an appointment to meet with me with any comments or suggestions you may have about the course. I prefer NOT to discuss material-related questions through the phone. The best way to address your questions is to discuss them with me in person either during my office hours or by appointment.

Use of Artificial Intelligence (AI)

There has been a significant increase in the popularity and availability of a variety of generative artificial intelligence (AI) tools, including ChatGPT, Sudowrite and others. These tools will help shape the future of work, research and technology but when used in the wrong way, they can stand in conflict with academic integrity at Ohio State.

All students have important obligations under the Code of Student Conduct to complete all academic and scholarly activities with fairness and honesty. Specifically, students are not to use unauthorized assistance in the laboratory, on field work, in scholarship or on a course assignment unless such assistance has been authorized specifically by the course instructor. In addition, students are not to submit their work without acknowledging any word-for-word use and/or paraphrasing of writing, ideas or other work that is not your own. These requirements apply to all students undergraduate, graduate, and professional.

To maintain a culture of integrity and respect, these generative AI tools should not be used in the completion of course assignments unless an instructor for a given course specifically authorizes their use. Some instructors may approve of using generative AI tools in the academic setting for specific goals. However, these tools should be used only with the explicit and clear permission of each individual instructor, and then only in the ways allowed by the instructor.

Academic Integrity

From the Fisher College statement on your obligation to maintain academic integrity:

“As a member of the Fisher College of Business community, I am personally committed to the highest standards of ethical behavior. Honesty and integrity are the foundation from which I will measure my actions. I will hold myself accountable to adhere to these standards. As a leader in the community and business environment, I will pledge to live by these principles and celebrate those who share these beliefs.”

Students are responsible for knowing and abiding by these standards.

Academic Misconduct

Cheating is grounds for failing this course and additional sanctions. In accordance with faculty rule 3335-5-487, all instances of alleged academic misconduct will be reported to the university Committee on Academic Misconduct. If the committee concludes that a violation has occurred, it recommends appropriate sanctions to the Office of Academic Affairs. As stated in the university's Code of Student Conduct (<http://studentaffairs.osu.edu/resources/>), students have an obligation to report academic misconduct. Such misconduct can be reported to the appropriate faculty member or program dean; confidentiality is protected.

Permitted collaboration for this course is as follows:

- **Team case brief, mini project and presentation – Collaboration with teammates only. Sources outside the information included in the case, such as case solutions or briefs available for purchase or free on the web or case briefs submitted by other students at OSU or elsewhere in the past or during this semester are STRICTLY PROHIBITED. Students caught violating this guideline will be reported to the Committee on Academic Misconduct.**

Turnitin

Students at The Ohio State University are accountable for the integrity of the work they submit. Therefore, you should be familiar with the guidelines provided by the **Committee on Academic Misconduct (COAM)** and **Section A of OSU's Code of Student Conduct** in order to meet the academic expectations concerning appropriate documentation of sources. In addition, OSU has made Turnitin, a learning tool and plagiarism prevention system, available to instructors. For this class, you will submit your papers to Turnitin from Carmen. When grading your work, I will interpret the originality report, following **Section A of OSU's Code of Student Conduct** as appropriate. For more information about Turnitin, please see **the vendor's guide for students**. See also the information for students in the Turnitin Feedback Studio (https://guides.turnitin.com/01_Manuals_and_Guides/Student_Guides/Feedback_Studio). Note that submitted final papers become part of the OSU database.

Section A of OSU's Code of Student Conduct defines plagiarism as '...the representation of another's work or ideas as one's own; it includes the unacknowledged word-for-word use and/or paraphrasing of another person's work, and/or the inappropriate unacknowledged use of another person's ideas.'

Disability Accommodation

To ensure that disability-related concerns are properly addressed from the beginning, students with disabilities who require reasonable accommodations to participate in this class are asked to contact the Office of Disability Services (150 Pomerene Hall, 292-3307). Please also inform me of any arrangements you are making with ODS.

Suggestions for Effective Team Performance

The following suggestions (taken from Robert Bruner's cases textbook) are necessary, but not sufficient, conditions for effective team performance. A major factor in a team's success is each member's effort and dedication to the success of the team. It is crucial that you develop a good working relationship with your teammates. Each member should hold every other member accountable for their contribution to the team's performance.

- ✓ Members commit to the success of the team.
- ✓ The team plans ahead, leaving time for contingencies.

- ✓ The team meets regularly.
- ✓ Members show up for meetings and are ***prepared*** to contribute.
- ✓ There may or may not be a formal leader, but the assignments are clear. Team members meet their assigned obligations.

COURSE SCHEDULE

(Assigned readings are from the required text by Berk & DeMarzo, 6th edition.)

DATE	CLASS TOPIC	ASSIGNED READINGS
August 27	Course Introduction	
	Overview of Corporate Financing Options	Chapter 24
September 3	The Firm's Capital Structure Decision	Chapter 14, 15, 16
	Case Discussion: Structuring Corporate Financial Policy	
September 10	Case Discussion: Stone Container Corporation (A)	Assigned Questions
	Introduction to Team Project: Memo to CFO	
September 17	Case Discussion: Molycorp: Financing the Production of Rare Earth Minerals <i>Problem Set Assigned</i>	Assigned Questions
	The Firm's Payout Decision	Chapter 17
September 24	Case Discussion: AB InBev's Dividend Decision (CASE BRIEF)	Assigned Questions
	Securities Issuance: IPOs	Chapter 23
October 1	Guest Speaker: Mr. Larry Hilsheimer Executive Vice President & Chief Financial Officer Greif, Inc <i>Problem Set Due</i>	
	Case Discussion: Bizzy Coffee	Assigned Questions
October 8	TEAM PROJECT PRESENTATIONS	