

## Corporate Finance

Fall 2023

### INSTRUCTORS

Professor Olivier Darmouni

Office: 769 Kravis

E-mail: omd2109@columbia.edu

Office hours: TBA

Communications from professor and teaching assistants about the course will take place through Canvas. Students should make sure they regularly check for announcements and messaging notifications

### COURSE DESCRIPTION

Corporate Finance is an introductory finance course. It is therefore designed to cover those areas of finance that are important to all managers whether they specialize in finance or not. At the end of the course you will be able to value a firm or a project. In order to reach this goal, we will cover the following topics:

1. General framework for valuation and discounting (including, as special cases, valuation of stocks and bonds, and evaluation of investment opportunities)
2. The free cash flow method for firm valuation
3. Basic concepts of risk and return and identification of opportunity cost of capital
4. Choice of capital structure: how will the firm be financed

The course will consist of approximately one-half lecture and one-half in-class case discussions, for which students should prepare carefully. The aim of the course is to provide students with an understanding both of sound theoretical principles of finance and of the practical environment in which financial decisions are made.

### TEXTBOOKS AND MATERIALS

The following items are required:

- Teaching notes: They will be handed out in class and posted on Canvas. These are your primary reference materials for the class.
- Case Materials and Assignments: All case readings and assignments are posted on Canvas.

The class uses no textbook. If you're looking for additional material, you can check out for example:

- Corporate Finance: The Core, (3rd or 4<sup>th</sup> edition), by Jonathan Berk and Peter DeMarzo (BDM). The book is not required.

## **CLASSROOM NORMS AND EXPECTATIONS**

Students are expected to adhere to CBS Core Culture in this class by being Present, Prepared, and Participating.

## **TEACHING ASSISTANTS AND REVIEW SESSION**

Our TA team will be responsible for running the review sessions. You can schedule office hours with your cluster TA by email. He/she should be the first point of contact for queries about grading or assignments.

## **GRADING**

Grades will be calculated using the following weights:

- |                                   |     |
|-----------------------------------|-----|
| • Case write-ups and problem sets | 40% |
| • Final Exam                      | 50% |
| • Participation                   | 10% |

### Final Exam

The final exam will occur during the exam period at the end of semester on **Saturday 9th of December in the morning (London, room TBD)**. Your primary task in the exam will be a full firm valuation that you will solve in excel. In addition, there will also be short questions testing your knowledge of finance concepts that are introduced throughout the course. The exam is open book and notes. You will need your laptop to solve the case. The length of the exam is three hours.

All your assignment submissions are subject to the [CBS Honor Code](#). Violations of the CBS Honor Code may lead to failing the assignment, failing the course, suspension, and/or dismissal.

## **INCLUSION, ACCOMMODATIONS, AND SUPPORT FOR STUDENTS**

At Columbia Business School, we believe that diversity strengthens any community or business model and brings it greater success. Columbia Business School is committed to providing all students with the equal opportunity to thrive in the classroom by providing a learning, living, and working environment free from discrimination, harassment, and bias on the basis of gender, sexual orientation, race, ethnicity, socioeconomic status, or ability.

Columbia Business School will make reasonable accommodations for persons with documented disabilities. Students are encouraged to contact the Columbia University's Office of Disability Services for information about registration. Students seeking accommodation in the classroom may obtain information on the services offered by Columbia University's Office of Disability Services online at [www.health.columbia.edu/docs/services/ods/index.html](http://www.health.columbia.edu/docs/services/ods/index.html) or by contacting (212) 854-2388.

Columbia Business School is committed to maintaining a safe environment for students, staff and faculty. Because of this commitment and because of federal and state regulations, we must advise you that if you tell any of your instructors about sexual harassment or gender-based misconduct involving a member of the campus community, your instructor is required to report this information to a Title IX Coordinator. They will treat this information as private, but will need to follow up with you and possibly look into the matter. Counseling and Psychological Services, the Office of the University Chaplain, and the Ombuds Office for Gender-Based Misconduct are confidential resources available for students, staff and faculty. "Gender-based misconduct" includes sexual assault, stalking, sexual harassment, dating violence, domestic violence, sexual exploitation, and gender-based harassment. For more information, see <http://sexualrespect.columbia.edu/gender-based-misconduct-policy-students>.