



Investment Banking and Corporate Financial Modeling I

Fin 6785

Fall 2017
Fridays Periods 1- 4

I. Faculty Contact Information

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II. Course Objectives

The course is designed to provide a practical application of corporate finance skills to a variety of analyses commonly performed by investment bank and commercial bank financial analysts. Mergers and Acquisitions, Initial Public Offerings, Private Equity Placements, Leveraged Buyouts and other common financial transactions will be covered in the two course sequence (Corporate Finance Modeling 1 and 2). In Corporate Finance Modeling 1, we will focus on the fundamentals of developing and interpreting valuation models. The topics include financial statement analysis, ratio analysis, forecasting, Benchmark Valuation using comparable company and comparable transaction analysis, and discounted cash flow analysis. We will explore each topic in the context of a merger transaction. Students will gather data from primary source documents, and build and apply models typically used in practice by investment banks, commercial banks and corporate finance consultants. The course is designed for those interested in careers in investment banking, commercial banking, corporate finance consulting, strategic planning and new ventures.

Prerequisite: MSF Student

III. Course Materials

Required:

1. Course handouts of cases and readings – on Course Site or handed out in class. It is your responsibility to check the course site for changes to the schedule and for handout materials. The outline included below may change depending upon the pace of the class.

2. Textbook: *Investment Banking: Valuation, Leveraged Buyouts, and Mergers and Acquisitions* – Rosenbaum and Pearl
3. Wall Street Journal, read every day
4. Laptop – bring it to class.

VI. Grading

There will be three grading points: two quizzes (50%), Homework (30%), and Class Participation (20%). Students are expected to come to class prepared and ready to discuss the material assigned and analyses performed.

Class Participation: There are several components to the class participation grade: class attendance, homework presentations, peer group assessments, in class discussions and final project presentation skills. Class participation is a real grade and not one to be taken lightly.

Homework will be due at the beginning of class. Assignments are very time intensive and I encourage you to start your work early. While I will be available for questions via email or office hours, I will not be sympathetic to groups who wait until the last minute for questions.

Each week you will have to prepare a case and/or develop (potentially several) spreadsheet models. You are encouraged to work on these assignments in your study groups (to be assigned)

Please ensure that your homework is posted on your group space on the course site prior to each class. Please bring your laptops to class.

There may also be opportunities during the semester where groups will be required to present their analyses to the class. Your performance and individual contribution will be incorporated in your class participation grade.

V. Class Attendance and Other

Class attendance is required and included in the class participation grade. Excused absences must be cleared in advance and an absence does not excuse the homework due for the class. Exams and or Quizzes will be announced in advance (see outline below for tentative dates) and make-ups are only allowed for pre-arranged excused absences.

Students requesting classroom accommodation must first register with the Dean of Students Office. The Dean of Students Office will provide documentation to the student who must then provide this documentation to the Instructor when requesting accommodation.

Information on current UF grading policies for assigning grade points can be found at: <https://catalog.ufl.edu/ugrad/current/regulations/info/grades.aspx>

Course Topical Outline

Week	Topic
Benchmark Valuation	
1	Overview and Introduction Excel Shortcuts for Financial Analysts Financial Statement Analysis Intro to Benchmark Valuation Homework: <ul style="list-style-type: none"> • Excel Training Exercise • Financial Statement Analysis Exercise
2	Financial Statement Analysis Benchmark Valuation and Comparable Company Analysis LTM and Calendarization Homework: <ul style="list-style-type: none"> • Comparable Companies Analysis Reading (Blackboard) • Comparable Company Analysis Assignment
3	Continue Benchmark Valuation <ul style="list-style-type: none"> • Data Sourcing • Comparable Analysis – Advanced Issues • Homework: <ul style="list-style-type: none"> • Data Sourcing Exercise • Treasury Stock Method Exercise • Adjusting for Extraordinary Items Exercise
4	Quiz 1 Previous Acquisitions Analysis Capital IQ Transaction Screening Stock Price/Volume Analysis Homework: <ul style="list-style-type: none"> • Pre-Acq Homework Assignment • Stock Price/Volume Chart Homework Assignment • Review of Project P&G Pre-Acq and Stock Charts
Intrinsic Valuation	
5	Intrinsic Valuation – DCF models Forecasting Models Homework: <ul style="list-style-type: none"> • Avid Technology Case • Enterprise Valuation Exercise • DCF Model Homework

6	Intrinsic Valuation - continued Capital Structure and Cost of Capital Homework: <ul style="list-style-type: none">• Capital Structure Model•
7	Discounted Cash Flow Analysis <ul style="list-style-type: none">• Fundamental Theory• DCF Street Model conventions