

Warrington College of Business Administration
Hough Graduate School of Business
School of Business
Fisher School of Accounting

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GENERAL FACULTY MEETING

AGENDA | Thursday, February 23, 2012 | 2:30 P.M. | HGS 120A/B

1. The January 26, 2012 General Faculty Meeting Minutes is presented for approval by the faculty.
2. Other Business
3. Dean's Report

GRADUATE FACULTY MEETING

AGENDA | Thursday, February 23, 2012 | 2:30 P.M. | HGS 120A/B (Immediately following General Faculty Meeting)

1. The January 26, 2012 Graduate Faculty Meeting Minutes is presented for approval by the faculty.
2. The MBA Committee approved the following items for credit toward MBA and for inclusion as available electives for finance.

New Course:

***FIN6XXX Asset Allocation and Investment Strategy**

Credits: 2

Description: This course will provide an introduction to investment strategy as practiced by fund managers. Course content will include a review of the analytical tools and models typically used in asset allocation, but will also provide an appraisal of the successes and failures of the most common investment strategies. While there will be some treatment of stock selection, the main focus will be on strategies involving allocation across broad asset classes.

Prerequisites: FIN 5437 and FIN 5439 or Enrolled in Master of Science-Finance students.

***FIN6XXX Computational Methods for Derivatives Pricing**

Credits: 2

Description: This course will provide practical applications of MATLAB functions and programming to fundamental financial instruments, such as bonds and stocks, and their derivatives. Though this is an introductory course, where mathematical and programming tools will be kept at a basic level, students must be familiar with undergraduate calculus and be comfortable with elementary programming.

Prerequisites: FIN 5437 and FIN 5439 or Master of Science-Finance Program

***FIN6XXX Financial Risk Management**

Credits: 2

Description: This course is a practical introduction to the main concepts of managing risk, namely market, credit, liquidity, operational, legal and regulatory, business, strategic, and reputation risk. However, the bulk of the course will focus on financial market and credit risk. The course will make little use of mathematical formalism and will emphasize intuitive quantitative arguments. Students are expected to be comfortable with basic probability and statistics and be able to program either in a formal language such as MATLAB or in Excel.

Prerequisites: FIN 5437 and FIN 5439 or enrolled in Master of Science-Finance Program.

***FIN6XXX Mergers and Acquisitions**

Credits: 2

Description: The primary objective of this course is to survey the process of mergers and acquisitions ("M&A"), develop your skills in the design and evaluation of these transactions, and expose students to the key tactical issues typically confronted in M&A transactions.

Prerequisites: FIN 5437 and FIN 5439 OR Enrolled in Master of Science-Finance Program.

***FIN6XXX Special Topics In Investment Finance**

Credits: 2

Description: The objective of this course is to examine special investment topics pertaining to certain asset classes such as commodities, inflation protected bonds, and currencies and to provide a link between economic theory and live applications using the Bloomberg Professional Terminal. For each topic we will cover the basic theoretical underpinnings and examine market/security structure, portfolio implications, and how Bloomberg data can be used to understand these implications.

Prerequisites: FIN 5437 & FIN 5439 or enrolled in Master of Science-Finance students.

3. The Specialized Graduate Programs Committee approved the FIN courses for credit in the MSF Courses and the REE courses for credit in the MSRE program.

REE6XXX Real Estate Research and Technology

Credits: 1

Description: A critical element of real estate finance, valuation, development, and investment decision making is the utilization of research data, technologies, tools, and software applications to provide support for assumptions and strategic decisions. However, it is difficult to provide adequate exposure to any of these tools and technologies in the context of a one hour graduate course. This course is designed to provide in-depth exposure to widely used commercial real estate data sources, research tools, and software applications. These tools will be used and applied in a number of course throughout the program and in practice after graduation.

Prerequisites: None

FIN6XXX Investment Banking and Corporate Financial Modeling I

Credits: 2

Description: In Corporate Finance Modeling 1, the basic analytical foundations to assess financial transactions will be covered with heavy emphasis on acquisitions. Valuation concepts such as benchmark valuations via multiples, discounted cash flow valuation and cost of capital issues will be discussed. The course is part of a two course sequence 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. The ensuing course applies these concepts to Mergers and Acquisitions, Initial Public Offerings, Private Equity Placements, Leveraged Buyouts and other common financial transactions.

Prerequisites: Enrolled in Master of Science-Finance Program

FIN6XXX Investment Banking and Corporate Financial Modeling II

Credits: 2

Description: The course is designed to provide a practical application of corporate finance skills learned in Corporate Financial Modeling I to a variety of financial transactions. Mergers and Acquisitions, Initial Public Offerings, Private Equity Placements, Leveraged Buyouts and other common financial transactions will be covered. 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. Additionally students will work in groups to prepare an analysis of a recent transactions.

Prerequisites: Investment Banking and Corporate Financial Modeling I and Enrolled in Master of Science-Finance Program.

***FIN6XXX Asset Allocation and Investment Strategy**

Credits: 2

Description: This course will provide an introduction to investment strategy as practiced by fund managers. Course content will include a review of the analytical tools and models typically used in asset allocation, but will also provide an appraisal of the successes and failures of the most common investment strategies. While there will be some treatment of stock selection, the main focus will be on strategies involving allocation across broad asset classes.

Prerequisites: FIN 5437 and FIN 5439 or Enrolled in Master of Science-Finance students.

***FIN6XXX Mergers and Acquisitions**

Credits: 2

Description: The primary objective of this course is to survey the process of mergers and acquisitions ("M&A"), develop your skills in the design and evaluation of these transactions, and expose students to the key tactical issues typically confronted in M&A transactions.

Prerequisites: FIN 5437 and FIN 5439 OR Enrolled in Master of Science-Finance Program.

***FIN6XXX Special Topics In Investment Finance**

Credits: 2

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Prerequisites: FIN 5437 and FIN 5439 or enrolled in Master of Science-Finance Program.

***FIN6XXX Computational Methods for Derivatives Pricing**

Credits: 2

Description: This course will provide practical applications of MATLAB functions and programming to fundamental financial instruments, such as bonds and stocks, and their derivatives. Though this is an introductory course, where mathematical and programming tools will be kept at a basic level, students must be familiar with undergraduate calculus and be comfortable with elementary programming.

Prerequisites: FIN 5437 and FIN 5439 or Master of Science-Finance Program

REE 6XXX Real Estate Development

Credits: 2

Description: Exploration of the fundamental concepts and techniques involved in the real estate development process by recognizing forces that transform existing real estate to its highest and best use. Provides a decision-making framework, understanding of the process and management decisions during the real estate development activities.

Prerequisites: REE 6045 and REE 6395

REE 6XXX Construction Considerations in Real Estate

Credits: 2

Description: A critical element of real estate finance, valuation, development, and investment decision making is the utilization of research data, technologies, tools, and software applications to provide support for assumptions and strategic decisions. However, it is difficult to provide adequate exposure to any of these tools and technologies in the context of a two hour graduate module. This course is designed to provide in-depth exposure to widely used commercial real estate data sources, research tools, and software applications. These tools will be used and applied in a number of course throughout the program and in practice after graduation.

Prerequisites: None

2. Other Business
3. Dean's Report

*Reviewed by both the MBA Committee and the Specialized Graduate Programs Committee. The MBA Committee approved the following items for credit toward MBA and for inclusion as available electives for finance. The Specialized Graduate Programs Committee approved the FIN courses for credit in the MSF Courses and the REE courses for credit in the MSRE program.

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GENERAL FACULTY MEETING

MINUTES | Thursday, January 26, 2012 | 2:30 P.M. | HGS 120A/B

1. A motion was made to approve the October 12, 2011 General Faculty Meeting Minutes. The motion was seconded and the faculty voted to approve the minutes as distributed.
2. The Undergraduate Committee unanimously approved the following items and requested approval by the faculty. A motion was made for the course changes, course requirements, curriculum change, new course, minor adjustment, and certificate to be replaced with a minor. The motion for each was seconded and the faculty voted to approve the items as distributed.

Course Change: (approved)

- **FIN 4243 Debt and Money Markets**
Current Prerequisite: a grade of B or higher in FIN 3403, and ECP 3703 and a grade of C or higher in ACG 2021 and ACG 2071 or ACG 3481
Proposed Prerequisite: Remove ECP 3703 Requirement - (*a grade of B or higher in FIN 3403, and a grade of C or higher in ACG 2021 and ACG 2071 or ACG 3481*)
- **FIN 4504 Equity and Capital Markets**
Current Prerequisite: a grade of B or higher in FIN 3403, and ECP 3703 and a grade of C or higher in ACG 2021 and ACG 2071 or ACG 3481
Proposed Prerequisite: Remove ECP 3703 Requirement - (*a grade of B or higher in FIN 3403, and a grade of C or higher in ACG 2021 and ACG 2071 or ACG 3481*)
- **ENT 4114 - New Venture Planning**
Current Credits: 4 credits (semester-long course)
Proposed Credits: 2 credits (module course)

Course Requirements: (approved)

- Adjust the pace and sequence of course requirements: (move CGS 2531 from term 1 to term 3)
Current pace of course requirements: 2, 2, 2, 1
Proposed pace of course requirements: 1, 2, 2, 2
Term 1: ECO 2023
Term 2: ECO 2013 & MAC 2233
Term 3: ACG 2021 & CGS 2531
Term 4: ACG 2071 and STA 2023

The proposed changes in pace and sequence are advantageous to students for the following reasons:

- 1) Some students take Precalculus term one. This poses a problem with the prerequisite for CGS 2531.
- 2) CGS 2531 works well when taken concurrently with ACG 2021.

Curriculum Change: (approved)

- Curriculum adjustment to the General Business Major:
Current: MAN 3240 Organizations: Structure and Behavior
Proposed: Replace MAN 3240 Org Behavior with ECO 3713 International Macroeconomics

New Course: (approved)

- **ENT 4XXX - Creativity and Innovation in the Business Environment**
 - ♦ Credits: 2
 - ♦ Contact Hours: 2
 - ♦ Description: This course will examine the creativity process and the organizational environment in several organizations recognized as creative and innovative. It is organized around class discussions, workshops, projects, both individual and team-based, cases, a field trip and visiting experts. It will be very interactive, and is designed to be based in experiential learning.
 - ♦ Prerequisites: ENT 3003

- **MAR 4XXX - New Product Development and Management**
 - ♦ Credits: 4
 - ♦ Contact Hours: 4
 - ♦ Description: Product development is an increasingly critical activity in most firms. This course will provide the student with a structured way of thinking about product development. It will also provide the student with an up-to-date "toolbox" for developing and managing new products. In addition to lectures and case discussions, the class will include several hands-on individual assignments and a group project intended to simulate the development process of a new product or service.
 - ♦ Prerequisites: MAR 3023 Principles of Marketing, with a grade of C or better

Minor Adjustment: (approved)

- Adjustments to the Requirements for the Entrepreneurship Minor

Current: Complete a minimum of two of the following courses:
AEB 3341 Selling Strategically or MAR 4403 Sales Management (3-4 credits)
Upper-level entrepreneurship course(s) beyond ENT 3003 (2-4 credits)

Proposed: Complete a minimum of two of the following courses:
MAR 4403 Sales Management (4 credits)
Upper-level entrepreneurship course(s) beyond ENT 3003 (2-4 credits)
Minimum Total Hours **16-20**

Certificate to be replaced with a Minor: (approved)

- **Proposal to replace the Retailing Certificate in the catalog with a Retailing Minor**
 - Current: CGS 2531 Problem Solving Using Computer Software. . . (see attached for full description)*
 - Proposed: omit CGS 2531 and add one of the following:*
 - MAR 3503 Consumer Behavior
 - MAR 4403 Sales Management
 - MAR 4243 Retail Consulting
 - With Prior Approval, any Special Topics Retailing Course Beyond MAR 3231*

The net change is one additional credit hour; from 20 to 21 hours. The only course change is the replacement of CGS 2531 with an upper-division course related to retailing.

3. Other Business - none

4. Dean's Report - none

A motion was made to adjourn the General Faculty meeting. The motion was seconded and the meeting adjourned.

GRADUATE FACULTY MEETING

MINUTES | Thursday, January 26, 2012 | 2:30 P.M. | HGS 120A/B (Immediately following General Faculty Meeting)

1. A motion was made to approve the October 12, 2011 Graduate Faculty Meeting Minutes. The motion was seconded and the faculty voted to approve the minutes as distributed.
2. Other Business - none
3. Dean's Report -

-Rich Lutz briefly reported on the work being done by the Strategic Planning Committee. There have been three meetings and six sub committees appointed to look at measurable objectives. When the sub committees reports back the results will be shared with the faculty and unit heads. The mission statement is also being revisited and will be brought up at the upcoming BAC meeting.

-Brian Ray briefly reported on the SEDONA learning curve. The AQ/PQ qualifications are solid but working to fit into SEDONA and also on getting research, teaching, and service needs to be included. The faculty are encouraged to contact Brian Ray with any questions. There will be a stronger pitch to faculty to enter items into the system by March 1. AUH's were encouraged to get folks to training and to check for accuracy all information already entered.

-Dean Kraft commented on the possibility of faculty receiving the 3% for retirement pay raise. The President talked to the Faculty Senate and asked for their approval. If approved it would appear the second week of February. The union also needs to approve this and it would be on hold until this happens. It would not be retroactive (only the faculty in the union would be impacted).

-Dean Kraft announced a gift to fund and endow the School of Business and Building. It will formally be announced at the end of March after the BOT meeting. All UG activity will move into the 50,000 sf building. The location is being worked out but more than likely between Bryan Hall & Matherly Hall if there is enough room there. The UF planning committee is working on this. The target date to move in is Spring/Summer 2014. Our funding needs after the SB building would be to renovate Bryan Hall and house the Administrative offices, technology, and centers. Marketing would move to Stuzin Hall as a "faculty building". Stuzin Hall will continue to be upgraded and areas may end up with more space.

A motion was made to adjourn the Graduate Faculty Meeting. The motion was seconded and the meeting adjourned.

Attendance: John Kraft, Gary McGill, Brian Ray, Selcuk Erenguc, Doug Waldo, Mark Rush, Roger Blair, Mike Ryngaert, Dorothy McCawley, Richard Lutz, Kenny Cheng, Anand paul, Haldun Aytug, Jamie Kraft, Joe Alba, Aner Sela, Stand Smith, Robert Thomas, Bill Rossi, and Ira Horowitz

Department Name and Number Finance, Insurance & Real Estate - 011706000			
Recommended SCNS Course Identification			
Prefix	<u>F</u> <u>I</u> <u>N</u>	Level	<u>6</u>
Course Number	<u>X</u> <u>X</u> <u>X</u>	Lab Code	
Full Course Title <u>Asset Allocation and Investment Strategy</u>			
Transcript Title (please limit to 21 characters) _____			
Effective Term and Year Fall 2012		Rotating Topic <input type="checkbox"/> yes <input checked="" type="checkbox"/> no	
Amount of Credit <u>02</u>	Contact Hour: Base <u>02</u>	or Headcount _____	S/U Only <input type="checkbox"/> yes <input checked="" type="checkbox"/> no
Repeatable Credit <input type="checkbox"/> yes <input checked="" type="checkbox"/> no If yes, _____ total repeatable credit allowed			
Variable Credit <input type="checkbox"/> yes <input checked="" type="checkbox"/> no If yes, _____ minimum and _____ maximum credits per semester			
Course Description (50 words or less) This course will provide an introduction to investment strategy as practiced by fund managers. Course content will include a review of the analytical tools and models typically used in asset allocation, but will also provide an appraisal of the successes and failures of the most common investment strategies. While there will be some treatment of stock selection, the main focus will be on strategies involving allocation across broad asset classes.			
Prerequisites FIN 5437 and FIN 5439 OR Enrolled in Master of Science-Finance students.		Co-requisites	
Degree Type (mark all that apply) <input type="checkbox"/> Baccalaureate <input checked="" type="checkbox"/> Graduate <input type="checkbox"/> Professional <input type="checkbox"/> Other _____			
Category of Instruction <input type="checkbox"/> Introductory <input type="checkbox"/> Intermediate <input checked="" type="checkbox"/> Advanced			

Rationale and place in curriculum Course will add depth to graduate curriculum.

Department Contact	Name Debbie Himes	Email debbie.himes@warrington.ufl.edu
	Phone 392-0153	
College Contact	Name Renee Mathis	Email renee.mathis@warrington.ufl.edu
	Phone 273-3217	

Asset Allocation and Investment Strategy FIN 6XXX

Warrington College of Business Administration
University of Florida

Brian Gendreau
brian.gendreau@warrington.ufl.edu
352-846-0273

Module 4
Spring 2012

Office hours: 2:30 – 3:30 on Wednesdays, or by appointment. I am in my office (308 STZ) most weekdays and also respond to e-mails, usually on the same day.

Course description and Objectives: This course will provide an introduction to investment strategy as practiced by fund managers. Course content will include a review of the analytical tools and models typically used in asset allocation, but will also provide an appraisal of the successes and failures of the most common investment strategies. While there will be some treatment of stock selection, the main focus will be on strategies involving allocation across broad asset classes. The goal is for students to be able to acquire a skill set necessary to both manage investments and evaluate those that do.

Prerequisites: This course requires that students either be in the Master of Science in Finance program or have completed FIN 5437 and FIN 5439.

Reading materials: The text for this class will be Peter Stanyer, *Guide to Investment Strategy*, 2nd Edition New York: Bloomberg Press, 2010. Articles for the course will be in a course packet available at Target Copy, available through the UF Business Library or (copyrights permitting) posted to Sakai.

Grading: Mid-term examination (35%), final examination (45%), model portfolio (10%), class participation (5%), and problem sets (5%).

The model portfolio should be a team effort. Each team will create and manage a virtual portfolio on Bloomberg during the module, and make a presentation on the results at the end of the course, explaining what worked or did not work, and why. The teams will be graded on the reasoning behind their investment strategy and the quality of their analysis.

Power point presentations used in the lectures will be available on-line. Class attendance is required. Make-up exams can be arranged if an absence on the scheduled exam day is unavoidable (e.g., family death, unexpected illness)

Grade GPA will be in accord with Graduate School policy:

<http://gradcatalog.ufl.edu/content.php?catoid=2&navoid=762&hl=%22grading%22&returnto=search#grades>

Students with Disabilities

Students with disabilities will be accommodated. University policy is that such students 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.

1. Approaches to asset allocation.

Stanyer, Chapters 1, 3-5.

Gary Brinson, L. Randolph Hood, and Gilbert Beebower, "The Determinants of Portfolio Performance," *Financial Analysts Journal* (July/August 1986, reprinted in January/February 1995). Available from UF Business Library.

Gary P. Brinson, Brian D. Singer, and Gilbert L. Beebower, "Determinants of Portfolio Performance II: An Update," *Financial Analysts Journal*, (May/June 1991). Available from UF Business Library.

Roger Ibbotson and Paul D. Kaplan, "Does Asset Allocation Explain 40, 90, or 100 Percent of Performance?" *Financial Analysts Journal* (January/February 2000). Available from UF Business Library.

2. Measuring portfolio returns and risk.

Peter L. Bernstein, "Points of Inflection: Investment Management Tomorrow," *Financial Analysts Journal* (July/August 2003).

Thomas H. Goodwin, "The Information Ratio," *Financial Analysts Journal*, (July/August 1998).

Jay R. Ritter, "The Biggest Mistakes We Teach," *Journal of Financial Research* (Summer 2002).

William F. Sharpe, "The Sharpe Ratio," *Journal of Portfolio Management* (Fall 1994).

3. Investment strategy and behavioral finance

Stanyer, Chapter 2.

John S. Hammond, Ralph L. Keeney, and Howard Raiffa, "The Hidden Traps in Decision Making," *Harvard Business Review* (September/October 1998).

Optional: James Montier, "Seven Sins of Fund Management," Dresdner Kleinwort Wasserstein (November 18, 2005). Available on Sakai course site.

4. Strategic asset allocation

- Mean-variance models (including their pitfalls)
- The efficient frontier
- Life-cycle investing

5. Tactical asset allocation

Magnus Dahlquist and Campbell Harvey, "Global Tactical Asset Allocation," *Emerging Markets Quarterly* (Spring 2001).

Eugene F. Fama and Kenneth R. French, "Business Conditions and the Expected Returns on Stocks and Bonds," *Journal of Financial Economics* (November 1989).

Brian Gendreau, "Why Do Country Allocation Strategies Work?" Salomon Smith Barney, June 15, 2001. Available in Sakai.

James Montier, "Come out of the Closet, or, Show Me the Alpha," Dresdner Kleinwort Global Equity Strategy (July 19, 2006).

Jay Ritter, "Economic Growth and Equity Returns," *Pacific-Basin Finance Journal*, 13, (August 2005).

6. Valuation models in asset allocation.

Cliff Asness, "Fight the Fed Model," *Journal of Portfolio Management* (Fall 2003).

James K. Glassman and Clive Crook, "The Stock Market" Slate June 24, 1998
<http://www.slate.com/toolbar.aspx?action=print&id=3678>

Heckman Global Advisors, *Global Investment Outlook*, Mesirow Financial, (February 2011). Available in Sakai.

Jeremy Siegel, "The Rise in Stock Valuations and Future Equity Returns," *Journal of Investment Consulting* (June/July 2002).

Jacob K. Thomas and James Claus, "Equity Premia as Low as Three Percent? Evidence from Analysts' Forecasts for Domestic and International Stock Markets," Columbia University (March 2000).
<http://www.som.yale.edu/faculty/jkt7/papers/rmrrcomb.pdf>

7. Style investing.

Stanyer, Chapter 7: Equities.

Louis K.C. Chan and Josef Lakonishok, "Value and Growth Investing: Review and Update," *Financial Analysts Journal* (January/February 2004).

Eugene F. Fama and Kenneth R. French, "Value vs. Growth: The International Evidence," *Journal of Finance* (December 1998).

Narasimhan Jegadeesh and Sheridan Titman, "Profitability of Momentum Strategies: An Evaluation of Alternative Strategies," *Journal of Finance* (Spring 2001).

8. The role of alternatives in asset allocation.

Stanyer, Chapters 9-12.

Clifford Asness, "An Alternative Future: Part II, An exploration of the role of hedge funds," *The Bernstein Fabozzi/Jacobs Levy Awards: Volume Two*, 2003-2008.

Franklin Edwards, "Hedge Funds and the Collapse of Long-Term Capital Management," *Journal of Economic Perspectives* (Spring 1999).

9. Managing a portfolio.

Christophe Faugere, Hany A. Shawky, and David M. Smith, "Sell Discipline and Institutional Money Management," *Journal of Portfolio Management* (Spring 2004).

Edward Kung and Larry Pohlman, "Portable Alpha: Philosophy, Process, and Performance," *Journal of Portfolio Management* (Spring 2004).

Paul Samuelson, "Asset Allocation Could be Dangerous to Your Health: Pitfalls in Across-Time Diversification," *Journal of Portfolio Management* (Spring 1990).

Department Name and Number Finance, Insurance & Real Estate - 011706000			
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Prefix	<u>F</u> <u>I</u> <u>N</u>	Level	<u>6</u>
Course Number	<u>X</u> <u>X</u> <u>X</u>	Lab Code	
Full Course Title <u>Computational Methods & Derivative Pricing</u>			
Transcript Title (please limit to 21 characters) _____			
Effective Term and Year Fall 2012		Rotating Topic <input type="checkbox"/> yes <input checked="" type="checkbox"/> no	
Amount of Credit <u>02</u>	Contact Hour: Base _____ or Headcount _____	S/U Only <input type="checkbox"/> yes <input checked="" type="checkbox"/> no	
Repeatable Credit <input type="checkbox"/> yes <input checked="" type="checkbox"/> no If yes, _____ total repeatable credit allowed			
Variable Credit <input type="checkbox"/> yes <input checked="" type="checkbox"/> no If yes, _____ minimum and _____ maximum credits per semester			
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Category of Instruction <input type="checkbox"/> Introductory <input type="checkbox"/> Intermediate <input type="checkbox"/> Advanced			

Rationale and place in curriculum Course will add depth to graduate curriculum.

Department Contact	Name Debbie Himes	Email debbie.himes@warrington.ufl.edu
	Phone 392-0153	
College Contact	Name Renee Mathis	Email renee.mathis@warrington.ufl.edu
	Phone 273-3217	

FIN6XXX
Computational Methods for Derivatives Pricing
Spring 2012

Instructor: Farid AitSahlia
Stuzin 306
Office Hours TBA
Tel: (352) 392-5058
farid.aitsahlia@warrington.ufl.edu
<http://bear.warrington.ufl.edu/aitsahlia>

This course will provide practical applications of MATLAB functions and programming to fundamental financial instruments, such as bonds and stocks, and their derivatives. Though this is an introductory course, where mathematical and programming tools will be kept at a basic level, students must be familiar with undergraduate calculus and be comfortable with elementary programming.

Pre-requisites

Fin 5437 and FIN 5439 OR Enrolled in MSF Program

Required textbook:

Numerical Methods in Finance and Economics: A MATLAB-Based Introduction, by Paolo Brandimarte, published by Wiley (2006). We will cover only a portion of the material included in this book (mostly, chapters 1, 2, 7, 8, and 9.)

Topics covered (tentative):

Fixed-income securities: analysis and portfolio immunization

- * Compounding and interest value
- * Basic pricing of fixed-income securities
- * Interest rate sensitivities and bond portfolio immunization
- * MATLAB functions for fixed-income securities

Portfolio optimization

- * Mean-variance optimization
- * Alternative measures:
Value-at-Risk and quantile-based measures

Derivatives pricing

- * Binomial model
- * Black-Scholes model
- * American options
- * Path-dependent options: barrier, Asian, and lookback

Numerical methods (time –permitting for the first and last topics)

- * Issues in numerical computations (error propagation, conditioning, stability)
- * Numerical integration
- * Monte Carlo method
- * Finite-difference and partial differential equations (Crank-Nicolson scheme)

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Grading:

It will be based on programming assignments (three or four) and class participation (80% and 20%, respectively.)

General policies:

- Class attendance is mandatory and participation will affect the final grade. Students are therefore strongly encouraged to avoid electronic distractions (e-mail, cell phone texting, web browsing, etc.) during lectures.
- There are no exams but programming assignments must be turned in on time and will be subject to penalties if late.
- Information on current UF grading policies for assigning grade points can be consulted through the following link:
<https://catalog.ufl.edu/ugrad/current/regulations/info/grades.aspx>
- Students with a disability should contact the instructor at least one week prior to the start of the course to discuss specific accommodations.

Department Name and Number Finance, Insurance & Real Estate - 011706000			
Recommended SCNS Course Identification			
Prefix	<u>F</u> <u>I</u> <u>N</u>	Level	<u>6</u>
Course Number	<u>X</u> <u>X</u> <u>X</u>	Lab Code	
Full Course Title <u>Financial Risk Management</u>			
Transcript Title (please limit to 21 characters) _____			
Effective Term and Year Fall 2012		Rotating Topic <input type="checkbox"/> yes <input checked="" type="checkbox"/> no	
Amount of Credit <u>02</u>	Contact Hour: Base _____ or Headcount _____	S/U Only <input type="checkbox"/> yes <input checked="" type="checkbox"/> no	
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Category of Instruction <input type="checkbox"/> Introductory <input type="checkbox"/> Intermediate <input checked="" type="checkbox"/> Advanced			

Rationale and place in curriculum Course will add depth to graduate curriculum.

Department Contact	Name Debbie Himes	Email debbie.himes@warrington.ufl.edu
	Phone 392-0153	
College Contact	Name Renee Mathis	Email renee.mathis@warrington.ufl.edu
	Phone 273-3217	

FIN6XXX
Financial Risk Management
Spring 2012

Instructor: Farid AitSahlia
Stuzin 306
Office Hours TBA
Tel: (352) 392-5058
farid.aitsahlia@warrington.ufl.edu
<http://bear.warrington.ufl.edu/aitsahlia>

Course Overview and Objectives:

This course is a practical introduction to the main concepts of managing risk, namely market, credit, liquidity, operational, legal and regulatory, business, strategic, and reputation risk. However, the bulk of the course will focus on financial market and credit risk. The course will make little use of mathematical formalism and will emphasize intuitive *quantitative* arguments. Students are expected to be comfortable with basic probability and statistics and be able to program either in a formal language such as MATLAB or in Excel. The objective is that you will better understand various forms of risk and how to manage them in a structured framework.

Formal Pre-requisites: FIN 5437 and FIN 5439 OR MSF Program

Topics covered:

- moral hazard and adverse selection
- corporate risk management
- banks and regulations
- Value-at-Risk
- Basel Accords
- operational risk
- model risk
- credit risk
- interest-rate risk
- options risk
- Risk-adjusted performance evaluation

Required textbook: Title:

Value-at-Risk

Authors: Philippe Jorion

Publisher: McGraw-Hill

Year: 2007

ISBN 0-07-146495-6

Other recommended textbook:

Title: The Essentials of Risk Management

Authors: Michel Crouhy, Dan Galai, and Robert Mark

Publisher: McGraw-Hill

Year: 2006

ISBN 0-07-142966-2

Grading:

Based on weekly homework assignment (30%), end-of-module exam (50%), and class participation (20%).

General policies:

- Class attendance is mandatory and participation will affect the final grade. Students are therefore strongly encouraged to avoid electronic distractions (e-mail, cell phone texting, web browsing, etc.) during lectures.
- There will be no make-up exam except under extraordinary circumstances such as a documented illness or death in family
- Assignments must be turned in on time and will be subject to penalties if late.
- Information on current UF grading policies for assigning grade points can be consulted through the following link:
<https://catalog.ufl.edu/ugrad/current/regulations/info/grades.aspx>
- Students with a disability should contact the instructor at least one week prior to the start of the course to discuss specific accommodations.

Department Name and Number Finance, Insurance & Real Estate - 011706000			
Recommended SCNS Course Identification			
Prefix	F I N	Level	6
Course Number	X X X	Lab Code	
Full Course Title Mergers & Acquisitions			
Transcript Title (please limit to 21 characters) _____			
Effective Term and Year Fall 2012		Rotating Topic <input type="checkbox"/> yes <input checked="" type="checkbox"/> no	
Amount of Credit 02	Contact Hour: Base 02	or Headcount _____	S/U Only <input type="checkbox"/> yes <input checked="" type="checkbox"/> no
Repeatable Credit <input type="checkbox"/> yes <input checked="" type="checkbox"/> no If yes, _____ total repeatable credit allowed			
Variable Credit <input type="checkbox"/> yes <input checked="" type="checkbox"/> no If yes, _____ minimum and _____ maximum credits per semester			
Course Description (50 words or less) The primary objective of this course is to survey the process of mergers and acquisitions ("M&A"), develop your skills in the design and evaluation of these transactions, and expose students to the key tactical issues typically confronted in M&A transactions.			
Prerequisites FIN 5437 and FIN 5439 OR Enrolled in Master of Science-Finance Program.		Co-requisites	
Degree Type (mark all that apply) <input type="checkbox"/> Baccalaureate <input checked="" type="checkbox"/> Graduate <input type="checkbox"/> Professional <input type="checkbox"/> Other _____			
Category of Instruction <input type="checkbox"/> Introductory <input type="checkbox"/> Intermediate <input checked="" type="checkbox"/> Advanced			

Rationale and place in curriculum Course will add depth to graduate curriculum.

Department Contact	Name Debbie Himes	Email debbie.himes@warrington.ufl.edu
	Phone 392-0153	
College Contact	Name Renee Mathis	Email renee.mathis@warrington.ufl.edu
	Phone 273-3217	

Mergers and Acquisitions

FIN 6XXX

Spring 2012

Faculty Contact Information

Professor James Parrino
Stuzin 312
Email: james.parrino@warrington.ufl.edu
Direct Phone-273-4968
Department Phone: 392-0153
Office hours: by appointment

Course Objectives

The primary objective of this course is to survey the process of mergers and acquisitions (“M&A”), develop your skills in the design and evaluation of these transactions, and expose you to the key tactical issues typically confronted in M&A transactions. Specifically, upon completion of the course students will:

1. **Master the language and processes of M&A.** Basic knowledge about the field of M&A is the foundation for effective work in a wide range of fields including corporate development and strategic planning, investment banking, consulting, private equity, managing family businesses and entrepreneurship. Class discussions, the course materials, and the practical experience of the instructor (*aka* “war stories” ☺) will help you master the basics.
2. **Identify M&A issues worthy of attention.** The next stage of professional competency is to develop an instinct for the problems and opportunities in an M&A situation. This course highlights elements in the structure and process of M&A transactions that deserve professional awareness and scrutiny.
3. **Analyze an M&A transaction rigorously.** Valuation analysis is a core skill in M&A. The course will exercise your analytical comprehension of methodologies presented in the core finance curriculum.
4. **Appreciate the multi-dimensional complexity and integrated nature of M&A.** “The deal is a system.” There is no better example of a cross-functional, interrelated business challenge than M&A. Finance, Accounting, Strategy, Law, Tax, and even Organizational Behavior play critical roles in determining the success or failure of a transaction. This course will attempt to incorporate elements of these business disciplines using the M&A transaction process as the vehicle.

Prerequisite: What makes sense here? Either Financial Modeling 1 and/or Measuring and Managing Value or just Fin 5437 and Fin 5439

Course Materials

Required:

1. Course packet with cases, articles and technical notes
2. Various materials posted online and via links at the course website. Check the course site for regular updates, announcements and postings

Optional / Recommended:

I do not require a text in this class, but the following two are useful references. I will have a few on reserve in the Library, but you may also consider buying one of these for personal reference. The Bruner book is very comprehensive and useful if you are serious about a career in M&A. The Sherman and Hart book is a better reference for the professional who is likely to be involved in M&A from time to time, but not on a full time basis.

1. Robert F. Bruner, Applied Mergers & Acquisitions, John Wiley & Sons, Inc. (2004)
2. Andrew J. Sherman and Milledge A. Hart, Mergers & Acquisitions from A to Z,

Grading

There will be three grading points: maximum of two quizzes (40%), Group Project (30%) and Class Participation (30%). Students are expected to come to class prepared and ready to discuss the material assigned and analyses performed.

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

Class Attendance and Student Disability Issues (just changed order)

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.

Mergers and Acquisitions: Topical Outline

Class 1

Topic: Acquisition Strategy

Materials: Hugh McColl and NationsBank: Building a National Footprint Through M&A (UVA-F-1398M) ***Digital Case***

Study Questions

- | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Consider the personality and management style of Hugh McColl. How did his style influence NationsBank's corporate culture? |
| 2. What competitive forces (at the time of the cases) were affecting the industry? Use a familiar framework such as Porter's Five Forces to structure your response. |
| 3. What are/were the critical success factors to survive and thrive in this industry? |
| 4. What were the strategies employed by NationsBank to address these changes. Be specific in associating the strategy with the market change(s). |
| 5. What role did M&A play in NationsBank's overall strategy? Characterize NationsBank's acquisition strategy. |

Background Reading:

1. "The Acquisition Process", Praxis Partners

Reference:

1. Chapters 6 and 7, Bruner
2. Chapters 1 and 3, Sherman and Hart

Class 2

Topic: M&A Valuation Issues

Materials: Valuation Problem Set - online

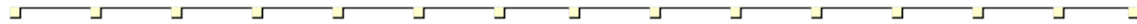
Study Questions:

Background Reading:

1. "Pasta – and Meatballs", Wall Street Journal (June 17, 2003)
2. "Discounted Cash Flow Model – From Theory to Practice", Praxis Partners
3. "Delaware Law and WACC", O'Melveny & Myers
4. "Comparable Companies Analysis", pp 5-6 and 14-16, Praxis Partners

Reference:

1. Bruner Chapters 9 and 11
2. Sherman and Hart Chapter 8



"An optimist sees an opportunity in every calamity; a pessimist sees a calamity in every opportunity." – Sir Winston Churchill

Class 3

Topic: M&A Valuation / Strategy

Materials:

1. General Foods Case, Project Duck Soup. HBS 286071-PDF-ENG
2. Genfood.xls, case exhibits in excel format (attached)
3. GF Comp Exhibit (attached)

Study Questions:

1. How is the “fit” between Entenmann’s and General Foods?
2. What is the value of Entenmann’s to General Foods? Please incorporate the following assumptions into your analysis and support your conclusions with both DCF and Benchmark valuations:
 - Depreciation expense is estimated to be about 6% of beginning-of-year gross fixed assets
 - Working capital will remain at 6% of sales for the forecast period
 - The long-term government bond at the time of the case was trading at a yield of 10.31.
 - The cost of debt for General Foods and Entenmann’s is 12%.
 - General Foods Beta =1.
3. Will the acquisition of Entenmann’s create value for General Foods?
4. You do not have to submit your complete analysis but post the maximum price you recommend that GF should bid for Entenmann’s.

Background Reading:

1. “Comparable Companies Analysis”, Praxis Partners

“Success is going from failure to failure without losing your enthusiasm.” – Sir Winston Churchill

Class 4

Topic: M&A Valuation: Using Stock as Consideration

Materials: Time Inc.'s Entry into the Entertainment Industry (A) –HBS 9-293-117

Study Questions:

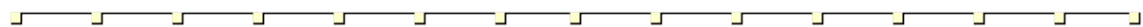
1. How attractive is the merger of Time with Warner?
2. What are the value enhancement opportunities?
3. Is the proposed exchange ratio of 0.465 of Time shares for each Warner share attractive?
4. What prompted Paramount's interest in Time?
5. What legal, financial, and restructuring options does Time have to combat the Paramount bid?
6. What would you do as Mr. Munro?
7. How would you explain a decision to reject the Paramount offer at the annual shareholders' meeting?

Background Reading:

1. "Stock or Cash? The Trade-offs for Buyers and Sellers in Mergers and Acquisitions." HBR Reprint 99611

Reference:

1. Chapter 20, Bruner



"However beautiful the strategy, you should occasionally look at the results." – Sir Winston Churchill

Class 5

Topic: Tax and Legal Issues in M&A

Materials: None

Study Questions:

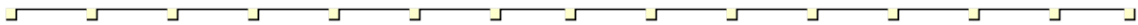
None

Background Reading:

1. "Legal and Tax Issues in Structuring Acquisitions", Praxis Partners

Reference:

1. Bruner Chapter 19
2. Sherman and Hart Chapter 7



Class 6

Topic: Tax and Legal Issues in M&A

Materials: Clothes Horse Case – posted to Sakai

Study Questions:

1. Complete the case template to determine the best tax structure for the deal

Background Reading:

1. “Legal and Tax Issues in Structuring Acquisitions”, Praxis Partners

Reference:

1. Bruner Chapter 16
2. Sherman and Hart Chapter 7

Class 7

Topic: Confidentiality Agreements and Due Diligence

Materials: Due Diligence Review Project

File: Due diligence materials posted on course website

Study Questions:

"Due Diligence" is the process by which the potential buyer requests detailed documents from the seller to verify the actual business operations that will be acquired and the liabilities that will be assumed. What is uncovered in the due diligence process will determine how (or in some cases, if) the final deal is structured. In private company deals, it is not unusual for the discussions to terminate because of what is uncovered during the due diligence process. In this class you will be provided a small sample of due diligence materials to simulate the process and to expose you to typical documents that you will review as part of your due diligence.

Consider yourself part of the due diligence team for SLE on Project Nuts (background can be found as a download on the course website) and that you have been provided several documents thus far from Nuts Management. (To make the assignment manageable, each group will be assigned specific documents that have been provided.)

1. Identify and comment on any issues in your assigned documents that you think may impact the:
 - value,
 - structure, or
 - post-merger integration of the deal.

Be prepared to provide a list of issues and concerns to be presented to the class.

i.

Background Reading:

1. "Non-Disclosure Agreements and Due Diligence", Praxis Partners
2. "Confidentiality Agreement Checklist", Bell Gully (*note that what we refer to as a Confidentiality Agreement is called a Confidentiality Deed in New Zealand*)
3. "Sample Due Diligence Checklist", Praxis Partners

Reference:

1. "Avoiding the Perils of Traditional Due Diligence", Accenture (July 2002)
2. "Top 10 Ways a Virtual Deal Room Can Help You Do Better Deals", Merrill Datasite (2005)
3. Chapter 8, Bruner

Class 8

Topic: 1. Purchase Agreements:
Price, Seller Financing, Earnouts, Escrows and Holdbacks
2. Tax and Legal Structures

Materials:

1. Sample Purchase and Sale Agreement: Article 1
– Article 4, excluding Sections 4.4 and 4.5 –
in resources folder
2. Clothes Horse Case - attached

Study Questions: for Purchase and Sale agreement

	Line(s)	Question
1.	308-336	What is the transaction being described? (Draw the transaction diagram, identifying each of the entities/groups that are party to the transaction.)
2.	342	How is the purchase price adjusted? Why is the purchase price adjusted?
3.	886-888	How is the target's cash and (third party) indebtedness handled in the transaction?
4.	950	Map out payment of purchase price calculation as if you were explaining (to the client) what is actually received (pre-tax) at the closing
5.	1191	Why might the Seller object to the asset allocation? That is, why should the Seller even care about the purchase price allocation?

Background Reading:

1. "M&A Executive Insights: April 2006", Nixon Peabody, pp 10-13
2. "Private Target M&A Deal Points Study", American Bar Association (2009), pp 20-25

Reference:

1. Chapters 18, 19 and 22, Bruner
2. "Sample Earnout Clauses", Praxis Partners

Class 9

Topic: Purchase Agreements: Risk Identification and Allocation

Purchase Price Adjustments and Representations and Warranties

Materials: Sample Purchase and Sale Agreement: Sections 4.4 and 4.5, Article 5 and Articles 6, 7, 12

Study Questions:

	Line(s)	Question
1.	970	Why is there a Pre-Closing Purchase Price Adjustment? What does it accomplish? How does it work?
2.	990	What is the purpose of this sub-paragraph (c)?
3.	1029	Why is there a Post-Closing Purchase Price Adjustment? What does it accomplish?
4.	1842-1860	Why is it important that this rep be here? i.e., that there is none of items (i)-(iii), other than what is disclosed. Give an example of a “bad” thing that might occur to Buyer if this representation is not included.
5.	1979	Note that taxes payable on profits earned prior to close, must be accrued. How does this requirement impact the Seller’s net proceeds?
6.	2292	Why does the purchaser also need to make reps and warranties?
7.	2584	What is happening in this section (7.10)? Why is this important to include in the agreement?
8	2656	What is happening in this section (7.13)? How does this work? Why do you think the target company's indebtedness was handled this way?
9.	2669	What is happening in this section (7.15)? Why is this important to include in the agreement?
10	2747-2772	Why did the Seller’s attorneys insist on the addition of these two sections? What do these sections accomplish?
11	2981	What does this section (12.1) mean? Why is this section significant?
12(a).	3027	How does this section (12.4) work? What is its purpose?

12(b).	3028	What kind of a basket is this? Hint: reference the Deal Points Studies below for additional background.
12(c).	3042	How does this indemnity cap compare to “market”, i.e., the average, or typical transaction? Hint: the background reading will be helpful here.

Reference:

1. Chapter 29: “Definitive Agreement”, Bruner
2. “Public Target M&A Deal Points Study”, American Bar Association (2009), pp 7-70
3. “Private Target M&A Deal Points Study”, American Bar Association (2009), pp 11-19, 26-51, and 52 -55.

Class 10

Topic: Definitive Agreements – Pre-Planning

Materials: Haney Systems Inc.

Study Questions – Please post your solutions by group to your group folder on Sakai:

What key issues and problems can you identify that should be addressed in these negotiations and in the Definitive Agreement? Be specific in developing your list. Be prepared to present your issues list to the class.

Consider the potential issues in areas such as:

- Economics (e.g., price and related factors, form and structure of consideration)
- Legal (e.g., transaction structure, protection from liabilities, transaction execution risk)
- Tax (e.g., transaction structure, form and structure of consideration, Buyer v. Selling Company v. Seller considerations)
- Organizational (e.g., management and employee concerns, control, cultural issues)

Background Reading:

1. "Twenty Considerations in Preparing for an M&A Transaction", Cooley Godward Kronish (May 2007)
2. "Quick Tips for Negotiating a Great Letter of Intent", Arter & Hadden (June 2001)

Reference:

1. Chapters 18 and 19, and 29: "First-Round Documents", Bruner

Class 11

Topic: Purchase Agreements:

Materials: Haney Systems B Case

Study Questions: Review the draft definitive agreement for the Haney deal and address the following:

1. How are the deal issues raised in the last class resolved in the agreement? Are there any issues that are not addressed? If not, is it advantageous to the buyer or seller that they are ignored in the agreement?
2. Does the agreement as drafted generally favor the buyer or seller? Be specific – cite specific language that you believe is advantageous to either party.
3. Specifically review the earn-out provision in the agreement and compare and contrast with the examples in the assigned reading. What are the pros and cons to the draft earn-out provision in your opinion?

ii. Background Reading:

1. “Sample Earnout Clauses”, Praxis Partners (in ref tab, merger agreements folder)

Class 12

Topic: Purchase Agreements: Getting the Deal Done
Conditions Precedent to Closing and Deal Protections

Materials: Sample Purchase and Sale Agreement: Articles 8 through 11 and 13 through 15

Study Questions:

	Line(s)	Question
1	2778	What is the effect of this section (8.1)? Why is this important to the Purchaser?
2	2791	What is the effect of this section (8.4)?
3	2847	What is the HSR Act? How and when does it apply? i.e., what are the key deal characteristics that require an HSR filing?
4	2817	What does this section mean (8.14)? Why is this potentially a major point of negotiation in deals? <i>Hint: the background reading will be helpful here.</i>
5	2949	Under what conditions can the deal be terminated (use your own words, and <i>summarize</i> please)? What happens if the deal is terminated in a manner that is not consistent with this article (Article 11)?
6	3504	What is the significance of this section (15.18)? What are the implications to “Each Seller”?

iii. Background Reading:

1. “Covenants, Conditions For Closing, Indemnification, Termination and Deal Protection”, Praxis Partners
2. “Public Target M&A Deal Points Study”, American Bar Association (2009), pp 16-70
3. “Private Target M&A Deal Points Study”, American Bar Association (2009), pp 56-72

Class 13

Topic: Sellside Strategy

Materials: Omni Services, Inc. (Revised) (F-0438)

Study Questions:

- | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. A savvy seller understands its opponent/counterparty. Why should Textiles acquire Omni? What are the strategic imperatives driving the deal for Textiles? |
| 2. Why should Omni consider selling? Why now? Why not sell? Identify and think carefully about the external competitive opportunities/risk and internal strengths/weaknesses that would influence your recommendation. |
| 3. What specific issues and challenges need to be addressed in (i) the discussions and (ii) the process? Create a list of key items and be specific. This is a very important part of preparing for an M&A transaction. |
| 4. What advice would you give to Omni and specifically to N.B. Martin? |

Background Reading:

1. "The Sellside Process", Praxis Partners
2. "Positioning the Company for Value", Praxis Partners



"All truth passes through three stages. First, it is ridiculed. Second, it is violently opposed. Third, it is accepted as being self-evident." – Arthur Schopenhauer

Class 14

Topic: Q&A, Final Thoughts, and Course Recap

Materials: None

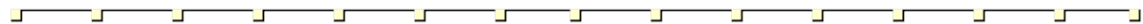
In today's class, we will consolidate the results of the negotiations and recap the course.

Study Questions

- | |
|------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Peter Atkins gives several pieces of practical advice for board members. How might these also apply to a business owner/entrepreneur? |
| 2. How do Peter's thoughts on deals and deal making compare (or maybe even contrast) with the key points of this course? |
| 3. How do James Freund's "Top Ten Commandments" compare and complement Peter's advice? |

Background Reading:

1. "M&A Today – Practical Thoughts for Directors and Deal-Makers", Peter Atkins, Skadden Arps (August 2005), **especially pp. 10-13**
2. "Remembrances of (M&A) Things Past: Plus, My Ten Commandments for Negotiating Deals", James Freund, Skadden Arps (October 2005), **especially pp. 5-7**



"The reasonable man adapts himself to the world; the unreasonable one persists in trying to adapt the world to himself. Therefore, all progress depends on the unreasonable man." –
George Bernard Shaw

Department Name and Number Finance, Insurance & Real Estate - 011706000			
Recommended SCNS Course Identification			
Prefix	<u>F</u> <u>I</u> <u>N</u>	Level	<u>6</u>
Course Number	<u>X</u> <u>X</u> <u>X</u>	Lab Code	
Full Course Title <u>Special Topics In Investment Finance</u>			
Transcript Title (please limit to 21 characters) _____			
Effective Term and Year Fall 2012		Rotating Topic <input type="checkbox"/> yes <input checked="" type="checkbox"/> no	
Amount of Credit <u>02</u>	Contact Hour: Base <u>02</u>	or Headcount _____	S/U Only <input type="checkbox"/> yes <input checked="" type="checkbox"/> no
Repeatable Credit <input type="checkbox"/> yes <input checked="" type="checkbox"/> no If yes, _____ total repeatable credit allowed			
Variable Credit <input type="checkbox"/> yes <input checked="" type="checkbox"/> no If yes, _____ minimum and _____ maximum credits per semester			
Course Description (50 words or less) The objective of this course is to examine special investment topics pertaining to certain asset classes such as commodities, inflation protected bonds, and currencies and to provide a link between economic theory and live applications using the Bloomberg Professional Terminal. For each topic we will cover the basic theoretical underpinnings and examine market/security structure, portfolio implications, and how Bloomberg data can be used to understand these implications.			
Prerequisites FIN 5437 & FIN 5439 OR Enrolled In Master of Science-Finance students.		Co-requisites	
Degree Type (mark all that apply) <input type="checkbox"/> Baccalaureate <input checked="" type="checkbox"/> Graduate <input type="checkbox"/> Professional <input type="checkbox"/> Other _____			
Category of Instruction <input type="checkbox"/> Introductory <input type="checkbox"/> Intermediate <input checked="" type="checkbox"/> Advanced			

Rationale and place in curriculum	
Course will add depth to graduate curriculum.	

Department Contact	Name Debbie Himes	Email debbie.himes@warrington.ufl.edu
	Phone 392-0153	
College Contact	Name Renee Mathis	Email renee.mathis@warrington.ufl.edu
	Phone 273-3217	

Finance 6XXX
Special Topics In Investment Finance
Module 2- Fall 2011

Carolyn Takeda-Brown
Office: HGS 207
Phone: (352) 846-1059
Class: Tuesdays & Thursdays 11:45-1:30

carolyn.takeda-brown@warrington.ufl.edu

Office Hours: Tuesdays & Thursdays 9:30-11:30 and by appointment.
I am in the Capital Markets Lab almost daily and am willing to work with students while there.

Course Website: logon to Sakai at <https://iss.at.ufl.edu/> or quick link on Warrington website

Prerequisites: FIN 5437 and FIN 5439 or MSF program

Course Objective & Overview:

The objective of this course is to examine several investment topics and to provide a link between economic theory and live applications using the Bloomberg Professional Terminal. For each topic we will cover the basic theoretical underpinnings and examine market/security structure, and portfolio implications.

We begin the course with a review of portfolio theory and the rationale behind investing in asset classes beyond the basic equity & fixed income mix. Students will create their own portfolios and evaluate their performance using data downloaded from Bloomberg. (Actual portfolio performance will not influence course grade.)

A major segment of the course will be spent examining “other asset classes”, including commodities markets, inflation-protected securities, currencies, and money markets. We will begin with the basics and then examine how and why these assets may be included in a portfolio. As mentioned above, there is a heavy emphasis on Bloomberg usage in this course.

Required Course Materials:

- Required readings are available to download and print from the Sakai class site. Check this regularly because I will continue to update it throughout the duration of the course. **There is no required textbook for this course.**
- Access to Excel
- Personal Bloomberg login (this will be addressed during our first class meeting)
- Financial calculator
- Class lecture outlines will be available on the class Sakai site.

Course Requirements & Evaluation:

You are advised to look at the assigned readings **prior** to class. Lecture outlines are available for downloading and printing. These are designed to reduce note-taking during class but are *not a substitute for coming to class*. Many Bloomberg “screen grabs” are included in the lecture slides for your reference but live Bloomberg applications will be used in class.

Grading

Course grades will be based on the following components and weights:

Assignments:	45%
Class participation:	5%
Exam #1:	25%
Exam #2:	<u>25%</u>
	100%

Assignments

There will be 5 assignments totaling 45% of your course grade. They will largely involve the use of the Bloomberg Professional terminal. One of the assignments will involve creating a portfolio of securities, downloading data and tracking your portfolio on Bloomberg. **All assignments must be submitted via Sakai before the beginning of class on the due date. Sakai will not accept late submissions.**

Attendance

This is a course with limited capacity in order to allow students to follow along on Bloomberg during class. If you are going to be absent please let me know in advance. Unexcused absences will affect your participation grade. You are responsible for missed class material. Texting, answering email or doing other work during class is unacceptable and will affect your participation grade.

Exams

There are two non-cumulative exams in the course. You may bring an 8 ½ x 11 sheet of paper (both sides) into the final exam containing any formulas or notes you deem necessary. The "formula sheet" must be in your own handwriting and submitted with your exam. Exam coverage will be discussed as the module progresses.

Make-up Examinations and Late Assignments

Late assignments will not be accepted. Make-up exams will be offered only under extremely extenuating circumstances and only if the student informs me on a timely basis with valid documentation.

Academic Integrity

All students are required to abide by the Academic Honesty Guidelines set out by the University of Florida. The penalties for academic dishonesty will be enforced.

The details of the guidelines can be found on the following website:

<http://www.dso.ufl.edu/sccr/honorcodes/honorcode.php>

The Honor Pledge:

We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honesty and integrity by abiding by the Honor Code.

On all work submitted for credit by students at the University of Florida, the following pledge is either required or implied:

"On my honor, I have neither given nor received unauthorized aid in doing this assignment."

Re-grade Policy

The following re-grade policy exists to ensure that all students are treated equally and fairly in the grading process. All requests for re-grades must be submitted in writing within the 2 week period following the date an exam or assignment has been returned.

If you believe your points were incorrectly summed:

- a. Turn in all graded course material with corresponding points.
- b. Indicate clearly (in writing) where you believe the summation error occurred.

If you believe you received incorrect credit for a particular question:

- a. Turn in all graded course material.
- b. Provide a clear, type-written note (with very strong supporting documentation) that clearly shows me why you believe you received insufficient credit. You will have only one opportunity to make your case. Frivolous cases can result in a lower grade once all course material has been re-evaluated.

I spend a great deal of time ensuring that partial credit is assigned consistently when I am grading exams. In fairness to your classmates the assignment of partial credit will not be considered in re-grading requests.

Accommodations for students with disabilities

"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."

Graduate grading policies

For translation of letter grades to GPA see the website below.

<http://gradschool.ufl.edu/catalog/current-catalog/catalog-general-regulations.html#grades>

Computers and cell phones in class

All classes will be held in the Capital Markets Lab. Please arrive a few minutes early to log onto Bloomberg and Sakai.

You will not need your laptop during class. Also, please remember to silence your cell phone before class. I would appreciate it if you would leave your phone in your book bag during class.

Tentative Class Schedule

This schedule is only an approximate listing of the material I plan to cover in each class and may change based on the progress of the class.

Date	Topics	Readings & Assignments
Tuesday October 25 th	Course Outline & Introduction	Discussion of portfolio game
Thursday October 27 th	Basics of Portfolio theory <ul style="list-style-type: none">○ Correlation and diversification○ Bloomberg portfolio calculations – core portfolio (60:40)○ Other asset classes (50:30:20 other) other=commodities, currencies○ Correlations over time	Greer, Robert J. 1997. "What is an Asset Class, Anyway?" <i>The Journal of Portfolio Management</i> , vol. 23, no. 2 (Winter): 86-91. Optional: Chua, David B., Mark Kritzman, and Sebastien Page. 2009. "The Myth of Diversification", <i>The Journal of</i>

	<ul style="list-style-type: none"> ○ What is an Asset Class? 	<i>Portfolio Management</i> , vol. 36, no. 1 (Fall): 26-35.
Tuesday November 1 st	Equities <ul style="list-style-type: none"> ○ Exchange-Traded Funds versus Mutual Funds ○ Russell 2000, Russell 1000, value, growth – are they different asset classes? ○ Sovereign Wealth Funds 	Robinson, Edward. 2010. “ETFs Gone Wild”, <i>Bloomberg Markets</i> . July: 58-64. Denmark, Frances. 2004. “Out with the Old”, <i>Bloomberg Wealth Manager</i> . May: 58-65.
Thursday Nov. 3 rd , Tuesday Nov 8 th , Thursday Nov 10 th	Commodities Markets <ul style="list-style-type: none"> ○ Futures pricing ○ Seasonality, supply, storage & cash flows ○ Contango versus Backwardation ○ GSCI and rolling futures contracts ○ The roles of hedgers, speculators and index Investors 	Gorton, Gary, and K. Geert Rouwenhorst. 2006. “Facts and Fantasies about Commodity Futures”, <i>Financial Analysts Journal</i> , vol. 62, no. 2 (March/April): 47-68. <i>JSTOR</i> . Greely, David, and Jeffrey Currie. 2008. “Speculators, Index Investors, and Commodity Prices”, Goldman Sachs [New York]. 29 June. Deutsche Bank. 2005. “An Investor Guide to Commodities”. (pgs 4-34 only) Optional: Strongin, S. and M. Petsch. 1996. “What is the GSCI?”, Goldman Sachs Commodities Research.
Tuesday Nov. 15 th	Exam #1: HGS 120 during class time	
Thursday Nov. 17 th Tuesday Nov. 22 nd	Inflation as an Asset Class <ul style="list-style-type: none"> ○ How TIPs (Treasury Inflation Protected Securities) work ○ Break-even inflation rates and performance relative to nominal bonds ○ Contribution to portfolio risk and return ○ Gold as an inflation hedge 	Dektar, Daniel C. 2005. “ABCs of TIPS”, <i>CFA Institute Conference Proceedings</i> . Kothari, S.P, and J. Shanken. 2004. “Asset Allocation with Inflation-Protected Bonds”, <i>Financial Analysts Journal</i> , vol. 60, no. 1 (Jan/Feb): 54-70. <i>JSTOR</i> . Franklin Templeton Institutional. 2009. “Positioning for Inflation Protection”. August.
Thursday Nov. 29 th Thursday Dec. 1 st	Currency <ul style="list-style-type: none"> ○ Purchasing power parity ○ Covered interest parity ○ Carry trades - trading the forward bias 	Kritzman, Mark. 1992. “What Practitioners Need to Know...about Currencies”, <i>Financial Analysts Journal</i> , vol. 48, no. 2 (Mar/April): 27-30. <i>JSTOR</i> . Pojarliev, Momtchil, and Richard M. Levich. 2008. “Do Professional Currency Managers Beat the Benchmark?” <i>Financial Analysts Journal</i> , vol. 64, no. 5 (Sept/Oct): 18-32. <i>JSTOR</i> . Craig, Ben. 2005. “The Growing Significance of Purchasing Power Parity”, Federal Reserve Bank of Cleveland.
Tuesday Dec. 6 th Thursday Dec. 8 th	Financial Crisis Money Market Funds <ul style="list-style-type: none"> ○ Prisoner’s dilemma and “breaking the buck” 	Evans, David. 2008. “Peddling Tainted Debt to Florida”, <i>Bloomberg Markets Magazine</i> , (Feb): 61-70. Dieterich, Robert. 2008. “Markets Behaving Badly”, <i>Bloomberg Markets Magazine</i> , (June): 168-169. Jacobs, Bruce I. 2009. “Tumbling Tower of Babel: Subprime Securitization and the Credit Crisis.” <i>Financial Analysts Journal</i> , vol. 65, no. 2 (Mar/Apr): 17-30. <i>JSTOR</i> .
Thursday Dec. 13 th	Exam #2: HGS 240	

Department Name and Number Finance, Insurance and Real Estate - 011706000			
Recommended SCNS Course Identification			
Prefix	<u>R</u> <u>E</u> <u>E</u>	Level	<u>6</u>
Course Number	<u>X</u> <u>X</u> <u>X</u>	Lab Code	
Full Course Title <u>Real Estate Research & Technology</u>			
Transcript Title (please limit to 21 characters) _____			
Effective Term and Year FALL 2012		Rotating Topic <input type="checkbox"/> yes <input checked="" type="checkbox"/> no	
Amount of Credit <u>01</u>	Contact Hour: Base <u>01</u>	or Headcount _____	S/U Only <input type="checkbox"/> yes <input checked="" type="checkbox"/> no
Repeatable Credit <input type="checkbox"/> yes <input checked="" type="checkbox"/> no If yes, _____ total repeatable credit allowed			
Variable Credit <input type="checkbox"/> yes <input checked="" type="checkbox"/> no If yes, _____ minimum and _____ maximum credits per semester			
<p>Course Description (50 words or less)</p> <p>A critical element of real estate finance, valuation, development, and investment decision making is the utilization of research data, technologies, tools, and software applications to provide support for assumptions and strategic decisions. However, it is difficult to provide adequate exposure to any of these tools and technologies in the context of a one hour graduate course. This course is designed to provide in-depth exposure to widely used commercial real estate data sources, research tools, and software applications. These tools will be used and applied in a number of course throughout the program and in practice after graduation.</p>			
Prerequisites		Co-requisites	
Degree Type (mark all that apply) <input type="checkbox"/> Baccalaureate <input checked="" type="checkbox"/> Graduate <input type="checkbox"/> Professional <input type="checkbox"/> Other _____			
Category of Instruction <input type="checkbox"/> Introductory <input type="checkbox"/> Intermediate <input checked="" type="checkbox"/> Advanced			

Rationale and place in curriculum	
Course will add depth to graduate curriculum.	

Department Contact	Name Debbie Himes	Email debbie.himes@warrington.ufl.edu
	Phone 352-392-0153	
College Contact	Name Renee Mathis	Email renee.mathis@warrington.ufl.edu
	Phone 352-273-3217	

Fall 2011
REE 6930: Real Estate Research & Technology
(4:05-6:15pm in HGS 150 unless otherwise noted)

Instructors: Professor Ling (course coordinator)
Professor Archer (Excel instructor)
Dr. Malone (ARGUS instructor)
Mr. Tim Becker (STDB coordinator)
Mr. Todd Adams-HFF (CoStar instructor)

Office: STZ 301

Office Hours: By appointment only

Phone: Ling: (352) 273-0313

E-mail: Ling: ling@ufl.edu
Archer: wayne.archer@warrington.ufl.edu
Malone: kent.malone@warrington.ufl.edu
Becker: tim.becker@warrington.ufl.edu
Adams: tadams@hfflp.com

CRES: For more information on the Warrington College of Business Administration's real estate programs and activities, including information on the Alfred A. Ring Distinguished Speaker Series, see the Bergstrom Center for Real Estate Studies' (CRES) website: www.realestate.ufl.edu.

COURSE OVERVIEW

A critical element of real estate valuation, development, and investment decision making is the utilization of research data, technologies, and software applications to provide support for assumptions and strategic decisions. This course provides exposure to widely used commercial real estate data sources and software applications including: CCIM's Site to do Business (STDB); CoStar's COMPS Professional; and ARGUS Valuation-DCF, the industry software standard for analyzing commercial leases and performing lease and discounted cash flow analysis of existing properties and portfolios.

CCIM's STDB is an integrated online service for comprehensive site analysis, mapping and demographic data, aerial viewing and photos, customized business reports and transaction and portfolio management tools. CoStar COMPS Professional® provides comprehensive national coverage of commercial real estate sales transactions allowing professionals to research property sales comparables, track market trends, identify the identities of buyers and sellers and expedite the appraisal process and support property valuations. ARGUS Valuation-DCF™ is the most widely used software product in the commercial real estate industry for forecasting property-level and portfolio-level cash flows, calculating investment values and returns, and sharing asset and transactional data with clients and colleagues. UF's Bergstrom Center for Real Estate Studies has negotiated student access to these databases and analytical tools at significantly reduced rates.

COURSE GRADING

Course grades will be based largely on the student's ability to demonstrate competency in the use and application of databases and analytical tools in a research/valuation setting. Student competency will be assessed by a variety of means including quizzes, case assignments, and in-class exams. The weighting of these components is as follows:

STDB case study	15%
CoStar assignment/exam	10%
ARGUS quizzes/homework	15%
ARGUS exam	50%
Class participation	10%

Attendance at all class meetings is mandatory. Each unexcused absence will result in a full letter grade reduction in your final grade. If you miss class due to (1) an illness or (2) a job interview that cannot be scheduled on a different date, the absence may be categorized as “excused.” For an absence to be excused, you must contact Professor Ling by email *prior* to the missed session and receive confirmation from him that your absence is excused.

Class “participation” is worth 10 percent of your grade. Relevant and meaningful classroom participation during sessions will improve your participation score. However, your general cooperation and attitude toward the instructors and your fellow students may be more determinative than your vocal participation. Please note that late attendance will adversely affect your participation grade.

We will do everything we can to provide advanced notice of changes to the class technology schedule. However, we are working with extremely busy professionals who are often forced to alter their plans. Thus, we may have to make last minute changes to the schedule. Your flexibility is both expected and appreciated.

COURSE MATERIALS

1. Prior to the first ARGUS session on Tuesday, September 27, each student must have purchased the \$249.00 training package from ARGUS (<http://www.argussoftware.com>). This package includes the Certification Textbook and a full ARGUS license good through April of 2012. Please note that ARGUS will send me a list of those students who have paid for the training package off their website. You will not be admitted to the training sessions unless you are on the “paid” list; thus, you can’t simply make a copy of another student’s training materials.
2. The Bergstrom Center for Real Estate Studies will cover the cost of student access to CCIM’s Site to Do Business.
3. Access to the Co-Star database will be free of charge for students, each of whom will receive a username and password from CoStar.
5. An e-mail address and access to a Web browser.

Email accounts: We will frequently correspond with the class by email. All email will be sent to the student’s Gatorlink email address via the class listserve. If you frequently use an alternative email address (gmail, yahoo, etc.), it is your responsibility to make sure that you are receiving your UF email.

ADMINISTRATIVE ISSUES

Computer usage during class:

Laptops will be required for most sessions. However, they are to be used only for class related matters. Web surfing, answering emails, etc. are a distraction both for you and your peers and will adversely affect your participation grade.

Department Chair

The chairman of the Department of Finance, Insurance and Real Estate is Professor Mike Ryngaert, mike.ryngaert@warrington.ufl.edu, 352-392-0153. The Department offices are located in 321 Stuzin, 392-0153.

MISCELLANEOUS UNIVERSITY ISSUES

Document retention policy:

Student course material will be retained for three weeks beyond the end of the semester.

Accommodations for students with disabilities:

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."

The University's honesty policy regarding cheating and use of copyrighted materials:

All students are required to abide by the Academic Honesty Guidelines set forth in the UFlorida Rules - 6C1-4 Student Affairs, 6C1-4.017 Student Affairs: Academic Honesty Guidelines. The following website contains details covering the academic honesty guidelines: <http://www.aa.ufl.edu/Handbook/students.html>.

The University's student code of conduct:

Students enjoy the rights and privileges that accrue to membership in the UF community and are subject to the responsibilities that accompany that membership. As stated in the Standard of Ethical Conduct, students are expected to treat others with respect and concern (6C1-4.016 Student Conduct Code; Violations, Penalties and Procedures for Adjudication). The following website contains details covering the student code of conduct: <http://www.dso.ufl.edu/judicial/conductcode.php>.

Fall 2011
REE 6930: Real Estate Research & Technology
CLASS SCHEDULE

Tuesday, August 23

Class Overview

Tuesday, August 30

Excel Training. Professor Archer

Creation of development pro forma spreadsheet

Tuesday, September 6

Excel Training, Professor Archer

Creation of spreadsheet for investment analysis of existing commercial properties

Tuesday, September 13

No Class

Tuesday, September 20

No class

Tuesday, September 27

ARGUS Training: Session 1

ARGUS University Certification Guide: Chapters 1, 2, and 3

Tuesday, October 4

ARGUS Training: Session 2

ARGUS University Certification Guide: Chapters 4 and 5

Tuesday, October 11

No class-Mod 1 finals week

Tuesday, October 18

No class-Fall break

Tuesday, October 25

ARGUS Training: Session 3

ARGUS University Certification Guide: Chapter 6

Case Study: Enterprise Tower

Thursday, October 27

STDB Training (laptop required)

Periods 11 – E1 (6:15 – 8:10pm)

Hough 240

Tuesday, November 1

ARGUS Training: Session 4

ARGUS University Certification Guide: Chapter 7

Case Study: Memorial Park Plaza

Tuesday, November 8

ARGUS Training: Session 5

ARGUS University Certification Guide: Chapters 8 and 9

Thursday, November 10

ARGUS Training: Session 6

Finalize material and review for ARGUS exam

Tuesday, November 15

Argus final exam

Tuesday, November 22

No Class

Tuesday, November 29

No class

Thursday, December 1

CoStar training

Provided by Mr. Todd Adams, UF-MSRE, Senior Real Estate Analyst, HFF, Miami

Friday, December 2

CoStar project/exam

1:55-2:45pm

Room: TBA

Sitting for the ARGUS Certification Exam-Optimal

After the ARGUS final exam on November 15, we have scheduled the following optional sessions for those who wish to continue their training and attempt to become “ARGUS Certified”:

Tuesday, November 22 (Dr. Malone)

Tuesday, November 29 (Dr. Malone)

Thursday, December 1, 7:00pm–9:30pm, advanced training and review, Hough 240 (Todd Adams)

Friday, December 2, 3:00–7:00pm, Hough 140, review for certification exam (Dr. Malone)

Saturday, December 3, 10:40am-2:45pm (periods 4-7), Hough 340, Argus certification exam

The advanced training will be taught by Dr. Malone. Mr. Todd Adams will also provide a review of key material on December 1st. If you are certain you want to pursue certification prior to the beginning of our basic training, then you should purchase Package #2 (see below) from the ARGUS website for \$499. Note that the marginal cost of taking the certification exam under this option is \$250 (\$499-\$249). To order Package #2, you must contact Kari Mayfield at ARGUS directly (email: KMayfield@argussoftware.com; phone: 713-341-3622).

If you initially purchase Package #1, and later decide you would like to pursue certification, you can “upgrade” to the certification package by contacting Kari Mayfield at ARGUS, but at an additional cost of \$300 (total cost \$549). Note: If you decide to get certified once you graduate it will cost approximately \$1,000.00 to attend the required advanced training course somewhere in the U.S. and to take the final exam.

Two ARGUS Options:

Package #1 – Required of all students taking REE 6930: Real Estate Research and Technology

Price: \$249.00

Materials: ARGUS Certification Textbook and full training license good until the end of April, 2011.

Package #2 – Students that choose to pursue certification at the outset

Price: \$499.00

Materials: ARGUS Certification Textbook, full training license good until the end of April 2011, practice certification

exam, and final certification exam (to be administered on campus on Saturday, December 4th).

Department Name and Number Finance, Insurance & Real Estate - 011706000			
Recommended SCNS Course Identification			
Prefix	<u>F</u> <u>I</u> <u>N</u>	Level	<u>6</u>
Course Number	<u>X</u> <u>X</u> <u>X</u>	Lab Code	
Full Course Title <u>Investment Banking and Corporate Financial Modeling I</u>			
Transcript Title (please limit to 21 characters) _____			
Effective Term and Year Fall 2012		Rotating Topic <input type="checkbox"/> yes <input checked="" type="checkbox"/> no	
Amount of Credit <u>02</u>	Contact Hour: Base <u>02</u>	or Headcount _____	S/U Only <input type="checkbox"/> yes <input checked="" type="checkbox"/> no
Repeatable Credit <input type="checkbox"/> yes <input checked="" type="checkbox"/> no If yes, _____ total repeatable credit allowed			
Variable Credit <input type="checkbox"/> yes <input checked="" type="checkbox"/> no If yes, _____ minimum and _____ maximum credits per semester			
Course Description (50 words or less) In Corporate Finance Modeling 1, the basic analytical foundations to assess financial transactions will be covered with heavy emphasis on acquisitions. Valuation concepts such as benchmark valuations via multiples, discounted cash flow valuation and cost of capital issues will be discussed. The course is part of a two course sequence 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. The ensuing course applies these concepts to Mergers and Acquisitions, Initial Public Offerings, Private Equity Placements, Leveraged Buyouts and other common financial transactions.			
Prerequisites Enrolled in Master of Science-Finance Program.		Co-requisites	
Degree Type (mark all that apply) <input type="checkbox"/> Baccalaureate <input checked="" type="checkbox"/> Graduate <input type="checkbox"/> Professional <input type="checkbox"/> Other _____			
Category of Instruction <input type="checkbox"/> Introductory <input type="checkbox"/> Intermediate <input checked="" type="checkbox"/> Advanced			

Rationale and place in curriculum	
Course will add depth to graduate curriculum and will help prepare students for the job market in a track basis.	

Department Contact	Name Debbie Himes	Email debbie.himes@warrington.ufl.edu
	Phone 392-0153	
College Contact	Name Renee Mathis	Email renee.mathis@warrington.ufl.edu
	Phone 273-3217	

Investment Banking and Corporate Financial Modeling I

Fin 6XXX

Fall 2011
Fridays Periods 1- 4

I. Course Director

Professor James Parrino
Stuzin 312
Email: james.parrino@warrington.ufl.edu
Direct Phone-273-4968
Department Phone: 392-0153
Office hours: by appointment

II. Course Description and 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 the two course sequence, we will explore the process of each transaction and place heavy emphasis on the role of the financial analyst in analyzing each situation. 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 applying the necessary financial theory and tools for careers in investment banking, commercial banking, corporate finance consulting, strategic planning and new ventures.

In Corporate Finance Modeling 1, the basic analytical foundations to assess a transaction will be covered with heavy emphasis on acquisitions. Valuation concepts such as benchmark valuations via multiples, discounted cash flow valuation and cost of capital issues will be discussed. In Corporate Finance Modeling 2, the analytical foundations will be extended to LBO's Private Placements, and IPO's. Additionally students will work in groups to prepare an analysis of a recent transaction

Prerequisite: MSF Students

III. Course Materials

Required:

1. Course handouts of cases and readings – on Sakia or handed out in class. It is your responsibility to check Sakia 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.

Late submissions of homework will generally not be accepted since assignments are discussed in class. Quizzes can only be rescheduled in the event of a serious event such as an unexpected illness or family death.

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 may work on these assignments in groups of three to five. In order to be consistent I ask that you form your group by **the second class** and submit them to me via email.

Please ensure that your homework is posted on your group space on Sakia 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.

Grade GPA will be in accord with Graduate School policy:

<http://gradcatalog.ufl.edu/content.php?catoid=2&navoid=762&hl=%22grading%22&returno=search#grades>

Students with Disabilities

Students with disabilities will be accommodated. University policy is that such students 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.

Course Overview

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

6	<p>Intrinsic Valuation - continued Capital Structure and Cost of Capital Homework:</p> <ul style="list-style-type: none"> • Capital Structure Model • The Accretion/Dilution (Merger) Model • Merger Accounting Reading
7	<p style="text-align: center;">Mergers and Acquisitions</p> <p>Merger Accounting The Accretion/Dilution (Merger) Model Homework:</p> <ul style="list-style-type: none"> • The Accretion/Dilution (Merger) Model • Merger Accounting Reading

Department Name and Number Finance, Insurance & Real Estate - 011706000			
Recommended SCNS Course Identification			
Prefix	<u>F</u> <u>I</u> <u>N</u>	Level	<u>6</u>
Course Number	<u>X</u> <u>X</u> <u>X</u>	Lab Code	
Full Course Title <u>Investment Banking and Corporate Financial Modeling II</u>			
Transcript Title (please limit to 21 characters) _____			
Effective Term and Year Fall 2012		Rotating Topic <input type="checkbox"/> yes <input checked="" type="checkbox"/> no	
Amount of Credit <u>02</u>	Contact Hour: Base <u>02</u>	or Headcount _____	S/U Only <input type="checkbox"/> yes <input checked="" type="checkbox"/> no
Repeatable Credit <input type="checkbox"/> yes <input checked="" type="checkbox"/> no If yes, _____ total repeatable credit allowed			
Variable Credit <input type="checkbox"/> yes <input checked="" type="checkbox"/> no If yes, _____ minimum and _____ maximum credits per semester			
Course Description (50 words or less) The course is designed to provide a practical application of corporate finance skills learned in Corporate Financial Modeling I to a variety of financial transactions. Mergers and Acquisitions, Initial Public Offerings, Private Equity Placements, Leveraged Buyouts and other common financial transactions will be covered. 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. Additionally students will work in groups to prepare an analysis of a recent transactions.			
Prerequisites Investment Banking and Corporate Financial Modeling I and Enrolled in Master of Science-Finance Program.		Co-requisites	
Degree Type (mark all that apply) <input type="checkbox"/> Baccalaureate <input checked="" type="checkbox"/> Graduate <input type="checkbox"/> Professional <input type="checkbox"/> Other _____			
Category of Instruction <input type="checkbox"/> Introductory <input type="checkbox"/> Intermediate <input checked="" type="checkbox"/> Advanced			

Rationale and place in curriculum Course will add depth to graduate curriculum and will help prepare students for the job market on a track basis.

Department Contact	Name Debbie Himes	Email debbie.himes@warrington.ufl.edu
	Phone 392-0153	
College Contact	Name Renee Mathis	Email renee.mathis@warrington.ufl.edu
	Phone 273-3217	

Investment Banking and Corporate Financial Modeling II

Fin 6XXX

Fall 2011

Faculty Contact Information

Professor James Parrino
Stuzin 312
Email: james.parrino@warrington.ufl.edu
Direct Phone: 273-4968
Department Phone: 392-0153
Office hours: by appointment

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). We will explore the process of each transaction and place heavy emphasis on the role of the financial analyst in analyzing each situation. 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.

In Corporate Finance Modeling 1, the basic analytical foundations to assess a transaction will be covered with heavy emphasis on acquisitions. In Corporate Finance Modeling 2, the analytical foundations will be extended to LBO's Private Placements, and IPO's. Additionally students will work in groups to prepare an analysis of a recent transaction.

Prerequisites: MSF student, Investment Banking and Corporate Finance Modeling 1

Course Materials

Investment Banking: Valuation, Leveraged Buyouts, and Mergers and Acquisitions (Wiley Finance) by Joshua Rosenbaum and Joshua Pearl

Grading

There will be three grading points: One quiz (25%), Homework and Class Participation (25%), and a Group Project (50%). 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.

Please ensure that your homework is posted on your group space on Sakia 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, Make-up Quizzes 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. Quizzes will be announced in advance (see outline below for tentative dates) and make-ups are only allowed for pre-arranged excused absences or unexpected illness.

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
Mergers and Acquisitions	
8	DCF Street Models Merger Accounting The Accretion/Dilution (Merger) Model Homework: <ul style="list-style-type: none"> • The Accretion/Dilution (Merger) Model • Merger Accounting Reading
Equity Offerings	
9	Merger Model - cont Introduction to Initial Public Offerings The IPO Model Homework: <ul style="list-style-type: none"> • The IPO Model (Neoterm (A) Case) • IPO Reading
10	Neoterm A Case Introduction to Private Equity Placements The Private Placement Model Homework: <ul style="list-style-type: none"> * The Private Placement Model (Neoterm (B) Case)
Leveraged Buyouts	
11	Neoterm B case Introduction to Leveraged Buyouts Homework: <ul style="list-style-type: none"> The Leveraged Buyout Model Take-home quiz
12	Leveraged Buyout Case
13	Presentations
14	Presentations

Department Name and Number Finance, Insurance & Real Estate - 011706000			
Recommended SCNS Course Identification			
Prefix	<u>R</u> <u>E</u> <u>E</u>	Level	<u>6</u>
Course Number	<u>9</u> <u>3</u> <u>0</u>	Lab Code	
Full Course Title <u>Real Estate Development</u>			
Transcript Title (please limit to 21 characters) <u>Real Estate Develpt.</u>			
Effective Term and Year Spring 2012		Rotating Topic <input type="checkbox"/> yes <input checked="" type="checkbox"/> no	
Amount of Credit <u>02</u>	Contact Hour: Base <u>02</u>	or Headcount	<u> </u>
		S/U Only	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no
Repeatable Credit <input type="checkbox"/> yes <input checked="" type="checkbox"/> no If yes, <u> </u> total repeatable credit allowed			
Variable Credit <input type="checkbox"/> yes <input checked="" type="checkbox"/> no If yes, <u> </u> minimum and <u> </u> maximum credits per semester			
Course Description (50 words or less) Exploration of the fundamental concepts and techniques involved in the real estate development process by recognizing forces that transform existing real estate to its highest and best use. Provides a decision-making framework, understanding of the process and management decisions during the real estate development activities.			
Prerequisites REE 6045 and REE 6395		Co-requisites	
Degree Type (mark all that apply) <input type="checkbox"/> Baccalaureate <input checked="" type="checkbox"/> Graduate <input type="checkbox"/> Professional <input type="checkbox"/> Other <u> </u>			
Category of Instruction <input type="checkbox"/> Introductory <input type="checkbox"/> Intermediate <input checked="" type="checkbox"/> Advanced			

Rationale and place in curriculum Course will add depth to graduate curriculum.

Department Contact	Name Debbie Himes	Email debbie.himes@warrington.ufl.edu
	Phone 392-0153	
College Contact	Name Renee Mathis	Email renee.mathis@warrington.ufl.edu
	Phone 273-3217	

SYLLABUS

REE 6XXX - Real Estate Development

UNIVERSITY OF FLORIDA
Spring 2012 – Graduate Module 3

Instructor:

Mr. James Izzo, Adjunct Faculty Instructor.

Currently serves as President and Managing Principal of The 1220 Group, a full service real estate advisory firm, and is a Member of the Real Estate Advisory Board for the Bergstrom Center for Real Estate Studies at the University of Florida. He currently serves as an active member and it's Past Chairman.

Instructor's Contact Information:

Email is James.Izzo@1220group.com

Telephone number is (352) 256-1770.

Class Hours: Tuesdays and Thursdays in Hough Hall (HGS) Room 140 during Periods 11 & E-1 (6:15pm-8:20pm) on Tuesday and Thursdays from January 10th through March 1st. **No classes are scheduled for February 16th and February 28th.** **Class for January 12th will be required by attending Annual Gainesville Bergstrom Center Real Estate Forum at Villa East located at 301 N. Main St, Gainesville FL.**

The course FINAL EXAM will be on March 1st, 2012 during regular class hours.

IMPORTANT: The Instructor will do everything to provide advanced notice of changes to the class schedule. However, some class sessions are scheduled to invite outside professionals who are often forced to alter their plans. Thus, there may be a last minute change to the schedule. Your flexibility is both expected and appreciated.

Office Hours: By appointment on Wednesdays between 1pm - 4pm or Thursdays between 9am – 12pm as requested by individuals and groups. And, 45 minutes immediately after each Tuesday or Thursday class as needed.

Course Prerequisites: Successful completion of graduate course—REE 6045
Introduction to Real Estate.

Course Description and Objectives: REE 6930 is a 2-credit graduate course that explores the fundamental concepts and techniques involved in the real estate development process by recognizing the entrepreneurial and institutional forces that transform existing real estate to its highest and best use. The Course is intended to provide a decision-making framework that offers students a practical and intuitive understanding of the real estate development process. Course sessions strive to provide students with the ability to recognize and analyze a broad range of real estate development issues and learn to make effective management decisions during the real estate development process.

Major Course concepts incorporate a view that real estate development is best understood as a skillful orchestration of special talents, strategic information and managed resources to create value. As such, you should consider this to be a “professional skills” course intended to provide students with an understanding of the components and chronology of the real estate development process and how these elements can be integrated to create viable and successful projects.

Instructional Means to Accomplish Course Objectives:

The Course will model the major events of the real estate development process covering a wide range of issues encountered in the different phases of development. The Course design analyzes the real estate development process primarily from the perspective of the developer. Course content concentrates on the feasibility of real estate development, which involves the identification and evaluation of critical assumptions related to the creation, construction, financing and operation of economically viable commercial real estate projects.

The Course will provide the opportunity to examine most of the critical phases of the development process from idea inception through completion. An understanding of the real estate development process benefits not only potential developers, but those interested as investors, lenders, builders, public sector participants, and end-users of the products as well.

Students are assumed to be well grounded in both corporate and real estate finance, especially those advanced techniques employing the “time value of

money” concepts requiring discounted cash flow analysis, and analyses that utilize IRR, NPV, MIRR, net wealth creation and property valuation techniques.

This course offers students experiences to broaden each individual’s understanding of the special challenges that are routinely faced in commercial real estate development that can mean the difference between success and failure of a real estate development project.

The Course is lecture and case-oriented with extensive interactive discussions with industry professionals where possible. Student participation is strongly encouraged and expected. You should be prepared to engage in discussions and make personal contributions at every class session. Course design relies heavily on this interactive environment to reach Course objectives.

Course assignments are intended to reinforce class material to elaborate on topics put forward in the Course In-Class Discussions and refine your thinking about the process and analytical skills required by using multiple investment analytics.

Required Course Materials:

Textbooks

Real Estate Development--Principles and Process (4th Edition-10th Printing, 2007), by Mike E. Miles, Gayle Berens Mark J. Eppli and Marc A. Weiss, ULI-the Urban Land Institute: Washington, D.C. ISBN: 978-0-87420-971-6

Professional Real Estate Development--The ULI Guide to the Business (2nd Edition-Fourth Printing, 2007), by Richard B. Peiser and Anna Frej, ULI-the Urban Land Institute: Washington, D.C. ISBN: 0-87420-894-7.

Personal Computer

A laptop computer is required equipped with wireless LAN access to the Internet with a secure Web browser along with an e-Mail address (UF *GatorLink* Account).

The laptop computer must be able to run Microsoft Windows software programs: Word, PowerPoint, Excel, Adobe Acrobat & Internet browser.

Required Activities & Participation for the Course:

Class Attendance and Active Engagement: Attendance in all class sessions, active involvement in class discussions, cooperative interaction with and contributions to student teams, and engagement in all other class activities are expected of students in the Course. Instructor will evaluate and assign each student a grade that recognizes student performance in each of these areas.

IMPORTANT: The Course heavily depends on the individual and group participation of its students. As such, attendance at all class sessions is mandatory. Prior notice to the Instructor of your need to be absent does NOT waive the grading penalties for class absences. Arriving late to class, or leaving early, is not acceptable and may result in loss of attendance credit unless notified in advance.

Submission of Course Assignments: You will be presented a real estate development project at the beginning of the Course requiring that you, with your assigned student team members, submit required materials via eLearning at specific deadlines to complete the Assignments portion of the Course. There will be additional meetings with the Instructor in order to complete the Assignments and provide feedback to each student team's submissions to refine the overall Assignment in preparation for the Final Presentation.

Demonstrated Performance in Course Reading Assignments, Course Mid-term Presentation/Assignment and Course Final

Presentation/Assignment: Students are evaluated on their individual contributions and active involvement in various class activities. All students in the Course must demonstrate their competency and skill by noteworthy performance in Course Reading Assignments and the Course Mid-Term & Final Presentations.

Performance in Course Final Exam: All students in the Course must demonstrate their knowledge of the content from Reading Assignments

and course sessions in their performance of the final exam. **The course FINAL EXAM will be on March 1st, 2012 during regular class hours. Every student must be present, no exceptions.**

Important Note About e-Mail Accounts: The Instructor will at times correspond with the class via e-Mail. All e-Mail will be sent to the student's Gatorlink e-Mail address on file that you used in registering for the Course. If you frequently use an alternative e-Mail address, it is your responsibility to ensure that e-Mail sent to your Gatorlink address based upon your Course registration is being forwarded to your preferred account. Your inability to receive the e-Mail is not a valid excuse for missing class messages or assignments.

"S/U" Grading Option: The "S/U" grading option is not available for this Course.

Make-Up Exam Policy: The Course structure does not allow for the luxury of offering "make-up exams or assignments".

IMPORTANT: There are NO MAKE-UPS offered for Course Attendance, In-Class Discussions, Reading Assignments or the Mid-Term & Final Exam/Presentation.

"Reading Assignments": Staying current on Course textbook readings and timely submission of the assignments on the class readings are the student's responsibility. Students should frequently review the Course website and as announced in classes or set out in the Course Syllabus. Assignments must be completed and submitted via the Sakai course website, *on or before* the assigned due dates.

IMPORTANT – What You Should Expect (*and Not Expect*) of Course Sessions: Course lectures are intended to highlight basic themes and to help you understand key concepts and techniques. The Instructor views the lectures as a place from which he will pose critical questions, testing of concepts, and engage in dialogue with all students in the Course. Lectures are intended as the starting point for *your active engagement in discussions*. You will be graded on the extent of *your involvement* and *quality of your contributions* to each class session.

With the volume of content the Course attempts to deliver through in-class discussions are NOT intended to give coverage to everything assigned. It is a definitive requirement that each student must do what is necessary to grasp the body of knowledge covered by the Course Textbook Readings. Meanwhile, it is expected Course in-class discussions will seek to illuminate, elaborate and explore this content to consider how we will make critical real estate decisions.

Students must expect to be engaged and involved in all class sessions. With the content of this Course aligned with preparing students to meet the extraordinary demands of real estate development and the rigorous needs of the allied professions, direct involvement in each class session takes on substantial and critical importance.

Miscellaneous University Issues:

Document retention policy:

Student course material will be retained for four weeks beyond the end of the course term.

Accommodations for students with disabilities:

"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." Students with learning disabilities must provide certification and evidence of registration with the UF Disabilities Resource Center. Exam accommodations are offered only to those UF students with certified learning disabilities who have registered with the Instructor prior to any scheduled exam date.

The University's honesty policy regarding cheating and use of copyrighted materials:

All students are required to abide by the Academic Honesty Guidelines set forth in the University of Florida Rules - 6C1-4 Student Affairs, 6C1-4.017 Student Affairs: Academic Honesty Guidelines. The following website contains details covering the academic honesty guidelines:

<http://www.aa.ufl.edu/Handbook/students.html>.

The University's student code of conduct:

Students enjoy the rights and privileges that accrue to membership in the UF community and are subject to the responsibilities that accompany that membership. As stated in the Standard of Ethical Conduct, students are expected to treat others with respect and concern (6C1-4.016 Student Conduct Code; Violations, Penalties and Procedures for Adjudication). The following website contains details covering the student code of conduct:

<http://www.dso.ufl.edu/judicial/conductcode.php>.

The University's information on grading policies and assigning grade points may be found at the following website link:

<https://catalog.ufl.edu/ugrad/current/regulations/info/grades.aspx>

Software Use:

All faculty, staff and students of the University of Florida are required and expected to obey the laws and legal agreements governing software use. Failure to do so can lead to monetary damages and/or criminal penalties for the individual violator. Because such violations are also against University policies and rules, disciplinary action will be taken as appropriate.

UF Counseling Services:

Resources are available on campus for students having personal problems or lacking clear career and academic goals, which interfere with their academic performance. These resources include: University Counseling Center, 301 Peabody Hall, 392-1575, personal and career counseling; Student Mental Health, Student Health Care Center, 392-1171, personal counseling; Sexual Assault Recovery Services (SARS), Student Health Care Center, 392-1161 ext. 231, sexual assault counseling; and Career Resource Center, Reitz Union, 392-1601, career development assistance and counseling.

GRADING EXPECTATIONS

Class Attendance:

Attendance & participation in class discussion activities **15.0 %**

These must be submitted online via Sakai course website during each session.

Course Involvement:

Active engagement in class activities and course assignments **5.0 %**

Assignments:

These must be submitted online with delivery via Sakai course website in appropriate software format as required. Check the Course Syllabus and Sakai course website for detailed requirements and submission deadlines. These must be completed individually.

Reading Assignments: **10.0 %**

Mid Term Assignment:

Individual team member assessments of each other's Team participation in the case study project & a team submitted assignment and presentation for case study project.

Held in the Course classroom on January 31st, 2012 **30.0 %**

Final Assignment:

Individual team member assessments of each other's Team participation in the case study project & a team submitted Assignment and presentation for case study project.

Held in the Course classroom on February 23rd, 2012 **30.0 %**

Final Exam:

Held in the Course classroom on March 1st, 2012 **10.0 %**

TOTAL: **100 %**

Assigned Readings

No part of this material may be reproduced or distributed in any form or by any means, without the prior written consent of the copyright holder(s) for:

Real Estate Development--Principles and Process

(4th Edition, 2007)

Mike E. Miles, Gayle Berens, Mark J. Eppli and Marc A. Weiss

ULI - The Urban Land Institute: Washington, D.C.

ISBN: 978-0-87420-971-6

Professional Real Estate Development--The ULI Guide to the Business

(2nd Edition-Fourth Printing, 2007)

Richard B. Peiser and Anna Frej

ULI-the Urban Land Institute: Washington, D.C.

ISBN: 0-87420-894-7

Reading #1

(Complete reading of all prior January 17th class session)

Real Estate Development--Principles and Process

Chapter 1: The Real Estate Development Process

pp. 3 – 18

Chapter 2: The Raw Material: Land and Demographics in the United States

pp. 19 – 38

Chapter 3: Developers and Their Partners

pp. 39 – 64

Professional Real Estate Development--The ULI Guide to the Business

Chapter 1: Introduction

pp. 1 – 25

Reading #2

(Complete reading of all prior to January 19th class session)

Real Estate Development--Principles and Process

Chapter 10: Stage One: Inception of an Idea

pp. 235 – 252

Chapter 12: Stage Two: Refinement of the Idea

pp. 269 – 298

Chapter 16: Stage Three: The Feasibility Study

pp. 391 – 414

Reading #3

(Complete reading of all prior to January 24th class session)

Professional Real Estate Development--The ULI Guide to the Business

Chapter 4: Multifamily Development

pp. 128 – 211

Chapter 5: Office Development

pp. 212 – 251

Chapter 6: Industrial Development

pp. 254 – 299

Chapter 7: Retail Development

pp. 300 – 355

Reading #4

(Complete reading of all prior to January 26th class session)

Real Estate Development--Principles and Process

Chapter 13: The Roles of the Public Sector

pp.299 - 322

Chapter 14: Meshing Public & Private Roles in Development Process

pp.323 – 352

Professional Real Estate Development--The ULI Guide to the Business

Chapter 2: Organizing for Development

pp. 26 – 57

Reading #5

(Complete reading of all prior to February 2th class session)

Real Estate Development--Principles and Process

Chapter 17: Market Analysis: Collecting, Validating, an Understanding Market Data

pp. 415 – 432

Chapter 22: The Challenge of Marketing and Sales

pp. 533 – 553

Reading #6

(Complete reading of all prior to February 7th class session)

Real Estate Development--Principles and Process

Chapter 19: Stage Four and Five: Contract Negotiation and Formal Commitment

pp. 449 – 486

Chapter 20: Stage Six and Seven: Construction, Completion and Formal Opening

pp. 487 – 506

Reading #7

(Complete reading of all prior to February 9th class session)

Real Estate Development--Principles and Process

Chapter 7: Real Estate Finance: Background

pp.149 - 176

Chapter 8: Real Estate Finance: Logic behind financing decisions

pp.177 – 202

Chapter 9: Discounted Cashflow: The Equity Perspective

pp.203 – 234

Reading #8

(Complete reading of all prior to February 14th class session)

Real Estate Development--Principles and Process

Chapter 21: Stage Eight: Property, Asset, and Portfolio Management

pp. 507 – 532

Reading #9

(Complete reading of all prior to February 21st class session)

Real Estate Development--Principles and Process

Chapter 23: Closing Thoughts & Note about Future

pp. 555 – 564

Professional Real Estate Development--The ULI Guide to the Business

Chapter 8: Trends & Issues

pp. 356 – 372

Course Session Discussions

January 10th

Introduction

Course, Requirements & Expectations

Overview of Real Estate Development (Profession, Business, Industry, Investment)

What is Real Estate Development?

January 12th

Class will be held in conjunction with Annual UF Bergstrom Center Real Estate Forum

January 17th

Overview of the Real Estate Development Lifecycle

Review of Real Estate Development Process for a Project

Where does Green or Sustainability fit in?

Initial Discussion of Case Study Project

Project Teams Assigned

January 19th

Preliminary Concept development for a project - Brainstorming

Review of Case Study Project

Development of Analysis of Needs for Environment, Community, Site & Market

Refinement of Idea – Planning, Design, Construction, Marketing, Leasing & Financing

Testing and refining development concepts for a project to define a formal concept

January 26th

Preliminary Feasibility of Project

Back of Envelope Approach to determine preliminary feasibility of Project Concept

Testing development concept information for project to establish measures of potential feasibility and performance of a formal concept

January 31st

Mid-Term Project & In Class Presentation

Presentation of preliminary Project Concept and feasibility analysis of Case Study

Planning, Zoning & Community

Review & Assessment of public processes and interaction in development of a project

February 7th

Architecture, Design & Construction

Review & Analysis of creative processes, participants and implementation considerations in development of a project

February 9th

Market & Leasing Analysis – Market/Marketing/Leasing/Sales

Review of market influences, marketing strategy and execution considerations in development of a project

February 14th

Financing – Debt/Equity

Review & Assessment of funding sources, structures, processes and considerations in development of a project

February 16th

NO CLASS –Bergstrom Center for Real Estate Studies Annual Trends & Strategies Conference in Orlando, FL

February 21st

Final Project Feasibility (Does the project work?)

Summary review of case study project

Future Issues of Development: Today vs Tomorrow

Summary Overview of Development Process and the future trends

February 23rd

Final Project & In Class Presentation

Presentation of formal Project Concept and final feasibility analysis of Case Study

February 28th

NO CLASS – Finals Week

March 1st

Final EXAM on Class & Reading Assignments

End of Syllabus

Department Name and Number Finance, Insurance and Real Estate - 011706000			
Recommended SCNS Course Identification			
Prefix	<u>R</u> <u>E</u> <u>E</u>	Level	<u>6</u>
Course Number	<u>X</u> <u>X</u> <u>X</u>	Lab Code	
Full Course Title <u>Construction Considerations in Real Estate</u>			
Transcript Title (please limit to 21 characters) _____			
Effective Term and Year FALL 2012		Rotating Topic <input type="checkbox"/> yes <input checked="" type="checkbox"/> no	
Amount of Credit <u>02</u>	Contact Hour: Base <u>02</u>	or Headcount _____	S/U Only <input type="checkbox"/> yes <input checked="" type="checkbox"/> no
Repeatable Credit <input type="checkbox"/> yes <input checked="" type="checkbox"/> no If yes, _____ total repeatable credit allowed			
Variable Credit <input type="checkbox"/> yes <input checked="" type="checkbox"/> no If yes, _____ minimum and _____ maximum credits per semester			
<p>Course Description (50 words or less)</p> <p>A critical element of real estate finance, valuation, development, and investment decision making is the utilization of research data, technologies, tools, and software applications to provide support for assumptions and strategic decisions. However, it is difficult to provide adequate exposure to any of these tools and technologies in the context of a two hour graduate module. This course is designed to provide in-depth exposure to widely used commercial real estate data sources, research tools, and software applications. These tools will be used and applied in a number of course throughout the program and in practice after graduation.</p>			
Prerequisites No prerequisites		Co-requisites	
Degree Type (mark all that apply) <input type="checkbox"/> Baccalaureate <input checked="" type="checkbox"/> Graduate <input type="checkbox"/> Professional <input type="checkbox"/> Other _____			
Category of Instruction <input type="checkbox"/> Introductory <input type="checkbox"/> Intermediate <input checked="" type="checkbox"/> Advanced			

Rationale and place in curriculum	
Course will add depth to graduate curriculum.	

Department Contact	Name Debbie Himes	Email debbie.himes@warrington.ufl.edu
	Phone 352-392-0153	
College Contact	Name Renee Mathis	Email renee.mathis@warrington.ufl.edu
	Phone 352-273-3217	

Construction Considerations in Commercial Real Estate

Kent Malone, PhD.
Warrington College of Business Administration
UNIVERSITY of FLORIDA

Dr. Malone's Office: Stuzin Hall, Room 303-I (Located in the Bergstrom Center for Real Estate Studies).
Mailbox: STZ 321, Phone: 352-392-0138

Office Hours: 9:00 – 11:00 am. (Appointments are strongly recommended!)

Instructor email: Please send all course-related emails to Dr. Malone at his Warrington email address:

<kent.malone@warrington.ufl.edu>

A note about emails: Because I receive a large volume of emails from various sources, *all student emails to the instructor MUST include "REE 6930 + your subject heading" in the subject line.* This helps me sort emails from students in other classes, as well as other sources.

I do my best to respond to students quickly; however, please allow up to 24 business hours for a response.

Class Hours and Location: The class meets in Hough Hall Rm 250 on Mondays and Wednesdays during periods 3 and 4 (11:00 am to 1:45 pm).

Course Description and Objectives: REE 6930 is designed to provide business students with a basic understanding of the commercial real estate development process from the perspective of the owner/developer. Minimizing costs and maximizing the return on a proposed development project is analyzed through a functional overview of the diverse planning requirements and constraints, elements of the construction process (pre-, in-progress and post-), including potential pitfalls related to construction management. The course covers an array of topics including (but not limited to) basic plans reading and interpretation, review and interpretation of construction documents, specifications and project manuals, basic construction materials, various construction delivery systems, AIA contract documents, CSI divisions and Florida building codes, quantity takeoff and cost estimating, as well as scheduling and other key project management functions. Alternative construction materials and options regarding building systems (electrical, plumbing, etc.) will also be covered. These topics are designed to provide a basis for making more informed cost/benefit decisions in the in the planning stages of a proposed construction project, as well as cost-control efforts that should be considered. Students will use this information to assist in their decision-making process regarding proposed developments relative to the type of construction project, the end user(s), and the anticipated holding period of the investment. Upon completion of this course, students should have a well-formed basis for moving on to more focused studies in feasibility analysis, site evaluation and selection, cash flow evaluation, financing, market analysis, and property acquisition and disposal.

Required Materials:

- *Estimating in Building Construction, 7th Edition*, 2011, by Dagostino and Peterson, Pearson/Prentice Hall Publishers, Upper Saddle River, NJ (Do not purchase the previous editions, as these are different.) If purchasing a used textbook, ensure that the complete set of plans is included inside the back cover of the book.
- A laptop computer for accessing supplemental materials on web sites, completing in-class assignments, and accessing the course web site in Sakai.
- A UF email address. (The student must check their email regularly for supplemental course materials and assignment information.)
- A calculator

Instructional Means to Accomplish Course Objectives:

- The course is lecture-oriented with student participation strongly encouraged.
- Course objectives are reinforced through the numerous problems available in the text, lecture notes, supplemental materials, and guest speakers, when available.
- All material covered under the purview of this course (including, but not limited to course text book, work book, supplemental materials, lectures and guest speakers) is considered “fair game” for the term exam. As such, students are strongly encouraged to make arrangements with a fellow student to take notes in case of an absence.
- In keeping with the applied nature of the course, many real world issues and “current events” are discussed in class, and well as scheduling guest speakers.

Laptop Computers: The use of laptops in class is permitted, provided it does not become a distraction to fellow students or the instructor. If the instructor determines a student’s use of their laptop or any other electronic device is distracting, the student will be asked to turn off the device. Laptop computers must be turned off and closed during the term exam.

“Smart Phones” and other electronic devices must be set to silent mode in class. Their use is permitted, provided such use does not become a distraction to the instructor or fellow students, as outlined above. Smart phones and other electronic devices must be stowed during the term exam.

Important Note About Email Accounts: Dr. Malone may correspond with the class via email. All email will be sent to the student’s UF WebMail address. Failure to regularly check UF WebMail, or the inability to receive the email (if it is forwarded from the student’s UF WebMail to another email account) is NOT a valid excuse for missing class messages or assignments.

Projects and Assignments are designed to enhance the learning experience and build on the course principles. Projects and homework assignments are due at the beginning of class, unless otherwise specified. Projects and assignments turned in late will be docked 5% of the total possible points per day starting from the time the assignments were collected. For example, an assignment submitted, say, a half-

hour after the assignments were collected will be docked 5%. An assignment submitted the following day will be docked 10%, and so on.

In-Class Assignments: Assignments will be given in class, from time to time. These are required to be completed in class, unless instructed otherwise.

Pop Quizzes: Students should be prepared for “pop quizzes” at any time during the class meetings.

Exams: This course has only one exam; the final exam (term exam). It will be cumulative. (*HINT: Take good notes during the term – either written or printable from your computer, and make appropriate highlights and notes in the book!*)

Make-Up Exam Policies: The term exam date is published prior the end of “drop/add”. Please ensure that you do not have any scheduling conflicts on the day of the final exam. Absolutely **NO MAKE-UPS** are offered for the course term exam. This policy is part of a concerted and purposeful effort to direct our limited resources and time to supporting course priorities and existing course requirements. In short, there are simply too many variables, issues and resources required to spend time making special arrangements for make-ups.

Code of Student Conduct: Please be familiar with, and adhere to the University of Florida’s Student Responsibility policies found here:

<http://www.registrar.ufl.edu/catalog/policies/students.html>

Students are expected to abide by these policies and these policies will be strictly enforced.

Learning Disabilities and Special Accommodations: Students requesting classroom accommodation must first register with the UF Dean of Students Office. The Dean of Students Office will provide documentation to the student who must then pass this documentation on to Dr. Malone when requesting an accommodation. Students with learning disabilities must provide certification and evidence of registration with the UF Disabilities Resource Center (DRC). Exam accommodations are offered only to those UF students who hand-deliver the sealed certification from the DRC to Dr. Malone **at least two weeks prior to any scheduled exam date**. This advance notice is necessary in order to ensure timely delivery of the exam materials to the DRC office for administration.

GRADING RUBRIC:

Pop Quizzes:

(If you are absent, a zero will be recorded for that quiz) _____ 10%

Assignments (in-class and homework):

(As assigned during the course.) _____ 30%

Projects: _____ 20%

Final Exam: _____ 40%

TOTAL: 100%

Course Grading Scale: This course utilizes a “minus” grading scale as follows:

A	=	90	to	100
A-	=	87	to	89.9999
B+	=	84	to	86.9999
B	=	80	to	83.9999
B-	=	77	to	79.9999
C+	=	74	to	76.9999
C	=	70	to	73.9999
C-	=	67	to	69.9999
D+	=	64	to	66.9999
D	=	60	to	63.9999
F	=	0	to	59.9999

Note: Final Grades are NOT rounded. For example, a final calculated grade of 76.98 will be recorded as a C+.