

LAW 7064: Corporate Finance

Prerequisite: Business Organizations (7110) This course addresses a range of legal issues related to financing in both closely held and publicly held corporations (as well as other forms of organization). Topics addressed include sources and cost of capital, time value of money, financial reporting, business valuation and appraisal proceedings, legal and practical requirements as to capitalization, capital structure, the use of various types of securities (common stock, preferred stock, bonds, and options and other derivatives), distributions, executive compensation, investor and creditor rights and remedies, and financial aspects of mergers, acquisitions, and other fundamental transactions (all with some attention to tax issues). The course also treats developing theories of financial markets, including the efficient capital market hypothesis, the capital asset pricing model, portfolio theory, and option pricing theory. The course will focus in particular on the conflicts that may arise between various classes of investors -- between creditors and stockholders, between various classes of investors, and between inside stockholders and outside stockholders (including issues relating to equity compensation). Students will be required to work in teams to make in class presentations of primary discussion cases. In addition, to formal class meetings based on readings in the required text, students must complete weekly on-line quizzes based on supplemental slide shows. Exam Info: In-Class Exam administered during exam period.

Credits: 3.0

Prerequisites:

LAW 7110