

## Readings

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### Sessions 1 and 2 - Introduction to Valuation

*Reading as preparation to write a case*

- Bruner, Robert, 2000, Note to the Student: How to Study and Discuss Cases.

*Readings on the topic of valuation*

- Review: Brealey, Myers and Allen (10th ed.) chapters 18 and 19. ("How Much Should a Corporation Borrow?" and "Financing and Valuation")
- Kaplan, S and R Ruback, 1996, The Market Pricing of Cash Flow Forecasts: Discounted Cash Flows vs the Method of "Comparables", Journal of Applied Corporate Finance, Winter, pp 45-60.
- Chadda, N., R. McNish and W. Rehm, "All P/E are not created equal", McKinsey on Finance, Spring 2004.
- Ruback, R., "A note on Capital Cash Flow Valuation", Harvard Business School, HBS 9-295-069, January 1995.
- Cornell, B, J I Hirshleifer and E P James, Estimating the Cost of Equity Capital, Contemporary Finance Digest.
- Note on Private Company Valuation, Ivey Business School.
- ⊙ Jensen, M., 2001, Value Maximization, Stakeholder Theory, and the Corporate Objective Function, Journal of Applied Corporate Finance, Fall, pp 8-21.
- ⊙ Koeplin, J., A. Sarin and A.C. Shapiro, 2000, The Private Company Discount, Journal of Applied Corporate Finance, Winter, pp 94-101.

### Session 3 - Valuation and Mergers

- Andrade, G., Mark Mitchell and Erik Stafford, "New Evidence and Perspectives on Mergers", The Journal of Economic Perspectives, Vol. 15, n. 2, Spring 2001, 103-120.
- Holmstrom, B., and S. Kaplan, "Corporate Governance and Merger Activity in the United States: Making Sense of the 1980s and 1990s", The Journal of Economic Perspectives, Vol. 15, n. 2, Spring 2001, 121-144.
- "Shareholder Value", The Economist, January 2001.

### Session 4 - Real Options

- McDonald, Robert L, "The Role of Real Options in Capital Budgeting: Theory and Practice", Journal of Applied Corporate Finance (Spring 2006), v. 18, n. 2, 28-39.
- Arnold, T. and R. L. Shockley, "Real Options, Corporate Finance and the Foundations of Value Maximization", Journal of Applied Corporate Finance (Winter 2002), v. 15, n. 2, 82-88.

### Session 6 - IPOs

- Benveniste, L.M. and W.J. Wilhelm, "Initial Public Offerings: Going by the Book", Journal of Applied Corporate Finance (Spring 1997), v.10, n.1, 98-108. 5.
- Gompers, P. and J. Lerner, 2000, The Venture Capital Cycle, chapter 11, MIT Press, Cambridge, Massachusetts.
- Bratic, V W, P Tilton, and M Balakrishnan, "Navigating through a Biotechnology Valuation", Journal of Biotechnology in Healthcare, (June 1997), 207-216.

### Session 7 - Cross Border Valuation

- Stulz, Rene M, 1995, Globalization of Capital Markets and the Cost of Capital: The Case of Nestle', Journal of Applied Corporate Finance, Volume 8, Number 3.
- Estrada, Javier, 2007, Discount Rates in Emerging Markets: Four Models and an Application, Journal of Applied Corporate Finance, Volume 19, Number 2.
- "Hot and Cold Running Money", The Economist, May 2003.

## Session 8 - Capital Structure and Convertible Securities

- Barclay, M J and C W Smith: On Financial Architecture: Leverage, Maturity and Priority, The New Corporate Finance: Where theory meets practice, Donald H Chew, Jr, Irwin McGraw-Hill, 2nd edition, 230-243.
- Opler, T C and S Titman, 1997, Designing Capital Structure to Create Shareholder Value, Journal of Applied Corporate Finance, Volume 10, Number 1.
- Ganshaw, T. and Dillon, D., 2000, Convertible Securities: A Toolbox of Flexible Financial Instruments for Corporate Issuers, Journal of Applied Corporate Finance, 13.1 Spring.
- ⊙ Jen, F C, D Choi and S-H Lee, 1997, Some New Evidence on Why Companies use Convertible Bonds, Journal of Applied Corporate Finance, Volume 10, Number 1.

## Session 9 - Dividends and corporate contingent claims

- La Porta, R., Florencio Lopez-de-Silanes, Andrei Shleifer, and Robert Vishny, "Agency Problems and Dividend Policies around the World", The Journal of Finance, Vol. LV, No 1, February 2000.
- Finnerty, J, An Overview of Corporate Securities Innovation in Chew (ed).
- Arzac, E R, 1997, Percs, Decs, and other Mandatory Convertibles, Journal of Applied Corporate Finance, Volume 10, Number 1.
- Julio, B. and D. Ikenberry, 2004, Reappearing Dividends, Journal of Applied Corporate Finance, Volume 16, Number 4, pp 89-100.
- ⊙ Carow, K A, G R Erwin and J J McConnell, A Survey of US Corporate Financing Innovations: 1970-1997, Journal of Applied Corporate Finance, Volume 12, Number 1, Spring 1999, 55-69.

## Sessions 10 – Financial Distress

- Baghai, R.P., Silva, R.C., Thell, V. and Vig, V., 2021. Talent in distressed firms: Investigating the labor costs of financial distress. The Journal of Finance, 76(6), pp.2907-2961.
- Baghai, R.P., Silva, R.C. and Ye, L., 2024. Teams and bankruptcy. The Review of Financial Studies, p.hhae017.

## Sessions 11 - Project Finance

- Esty, B.C., Improved Techniques for Valuing Large-Scale Projects, Journal of Project finance, Spring 1999, Vol.5, n.1.
- Esty, B.C., An Overview of the Project Finance Market, Harvard Business School case 9-200-028, January 2002.