

Corporate Finance and Incentives

General Information

Lecturer: Lars Jul Overby

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Lectures:

Thursday 16-18 in Chr. Hansen Auditorium (34.0.01) all weeks.

Classes:

Monday 8-10 in CSS 1.1.18 with Carsten Nielsen (English)

Wednesday 14-16 in CSS 18.01.11 with Benjamin Falkenberg (Danish)

Thursday 12-14 in CSS 22.0.19 with Benjamin Falkenberg (Danish)

Fall break in week 45

Literature

Grinblatt, M. and Titman, S.: Financial Markets and Corporate Strategy, 2nd edition, McGraw-Hill 2001 or 2007 (GT). Chapters 1-3 (cursory) and 4-17. **Note this is the international or US version, not the European version, which has a third co-author.**

Lando, D. and Poulsen, R.: Lecture notes for the course “Investerings- og Finansieringsteori” (LP). Chapter 3, except section 3.4 and 3.5.2 and 3.5.3.

Website

www.juloverby.dk/courses/cfi

Workload

It is recommended that you will spend at least eight hours per week studying this course. This time should be made up of reading, working on exercises, and attending classes. In periods where you need to complete assignments or prepare for examinations, the workload may be greater.

Exam

- Mid-term: available on the course website early in week 41 and to be handed in to the TA's in week 43. The mid-term must be approved by the TA's in order to qualify for the exam, but will not count in the final grade.
- Final exam: 3 hour closed book exam. Calculators allowed.

Lecture Plan

Lecture	Date	Subject	Literature
1	2. sep. 2010	Introduction	GT 1-3
2	9. sep. 2010	Fixed Income Basics	LP
3	16. sep. 2010	Fixed Income Basics	LP
4	23. sep. 2010	Mean-Variance Optimization	GT 4-5
5	30. sep. 2010	Mean-Variance Optimization and CAPM	GT 4-5
6	7. okt. 2010	CAPM, Factor Models and Arbitrage Pricing Theory	GT 5-6
7	14. okt. 2010	Derivatives: Forwards, Futures, Swaps, Options etc.	GT 7-8
8	28. okt. 2010	Derivatives Pricing: Tracking Portfolios and Risk-Neutral Valuation	GT 7-8
9	4. nov. 2010	The Binomial Model	GT 7-8
10	11. nov. 2010	The Black-Scholes Model	GT 7-8
11	18. nov. 2010	Real Investments	GT 9-13
12	26. nov. 2010	Real Investments and Real Options	GT 9-13
13	2. dec. 2010	Capital Structure: Modigliani-Miller, Taxes, Optimal Payout Policy	GT 14-17
14	9. dec. 2010	Capital Structure: Bankruptcy Costs, Debt Holder – Equity Holder Conflicts, Stakeholder Theory	GT 14-17
15	16. dec. 2010	Concluding Remarks, Questions etc. (one hour)	