

Financial Tools for Strategic Decisions II
EMBA 5510

Course Description and Objectives:

This course extends the concepts covered in EMBA 5440 (**Financial Tools for Strategic Decisions I**) by addressing additional topics necessary to evaluate strategic decisions. Topics in this course will include: how financing the strategy affects key performance measures, methods to evaluate potential merger and acquisition decisions, and the use of real option analysis to evaluate strategic decisions.

This course addresses the following program learning outcomes:

1. Students will demonstrate strategic decision-making capability.
2. Students are capable of rigorous analysis of data and stakeholder concerns.
3. Demonstrate wisdom through judgment/decision-making that integrates the needs of multiple stakeholders and adapts personal behavior appropriately.

Class Schedule & Assignments

Date & Time	Pre- Class Reading	Discussion topics	Deliverable(s)
January 5 8:15-12:00 pm	Titman and Martin: Chapter 7 and Various Articles	Debt Financing and Firm Value	Analyzing a Firm’s Capital Structure Assignment: Due January 20 th
January 31 1:45-5:30 pm	Titman and Martin: Pages 350-352 and Various articles	Merger & Acquisition Analysis	M&A Acquisition Analysis Assignment: Due Feb.10 th
March 16 10:30-12:45pm	Titman and Martin: Sections 11.1 to 11.4 and Various articles	Real Option Analysis	Real Options On-Line Assignment: Due March 10 th
March 16 1:45-5:30 pm		Wrap-Up	

Course Requirements:

Part of the course requirements includes course participation. You are expected to come to each session having read the required material and prepared to participate in class discussions. This course will also have two individual assignments that require some analysis and an on-line assignment. The individual assignments will require some computational work (using Excel) and a short write-up describing your procedures and findings. The on-line assignment will require some required reading, video watching and answering provided questions on the material viewed.

Course Evaluations:

20% Course Participation
20% On-line assignment
60% Two Individual Assignments

Required Readings:

Valuation: The Art & Science of Corporate Investment Decisions, by Sheridan Titman and John Martin, Pearson/Addison Wesley.

Various Articles (a list by class session is provided in the appendix).

Appendix

Reading List by Session (listed in order of relevancy)

Articles for Session I:

“How Do CFOs Make Capital Budgeting and Capital Structure Decisions” (pages 13-22)

“Using APV: A Better Tool for Valuing Operations”

“How Much Cash Does Your Company Need?”

“Bloomberg Intelligence Roundtable on The Theory and Practice of Capital Structure Management”

Articles for Session II:

“Creating Value with Mergers and Acquisitions”

“Company Valuation in Mergers and Acquisitions: How is Discounted Cash Flow Applied By Leading Practitioners?”

Articles for Online Session:

“Exploiting Uncertainty”

“Real Options: State of the Practice”

Articles for Session III:

“Option Value of an Early-Stage Biotechnology Investment”

“Valuing an Early-Stage Biotechnology Investment as a Rainbow Option”

Office of Institutional Equity

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For more information, please visit <https://www.seattleu.edu/equity/>. If you have any questions or concerns, you may also directly contact the Title IX Coordinator in the Office of Institutional Equity (**email:** oi@seattleu.edu; **phone:** 206.296.2824)

University Resources and Policies

Academic Resources

- Library and Learning Commons (<http://www.seattleu.edu/learningcommons/>)
(This includes: Learning Assistance Programs, Research [Library] Services, Writing Center, Math Lab)
Note: The Learning Commons does not offer tutoring for EXLR/EMBA/HEMBA-level students.
- Academic Integrity Tutorial *(found on Angel and SU Online)*

Academic Policies on Registrar website

(<https://www.seattleu.edu/registrar/academics/performance/>)

- Academic Integrity Policy
- Academic Grading Grievance Policy
- Professional Conduct Policy *(only for those professional programs to which it applies)*

Notice for students concerning Disabilities

If you have, or think you may have, a disability (including an 'invisible disability' such as a learning disability, a chronic health problem, or a mental health condition) that interferes with your performance as a student in this class, you are encouraged to arrange support services and/or accommodations through Disabilities Services staff located in Loyola 100, (206) 296-5740. Disability-based adjustments to course expectations can be arranged only through this process.