



DePaul University

COLLEGE OF LAW

Corporate Finance, Spring 2009, Section 301

Professor Gold

Class meets in Room 804, Tuesdays and Thursdays, 10:30 a.m. to 11:45 a.m.

Office: Room 808

Office Hours: Tuesday, 2:00 – 4:00 p.m., and by appointment

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Syllabus Part I

Required Texts:

The required text for this course is the Hamilton and Booth casebook, *Corporation Finance* (3rd edition, 2001). Handouts may also be provided during the term.

Course Description:

This course provides an introduction to the law as it relates to corporate finance. In studying this area of the law, we will develop familiarity with valuation issues, legal capital, dividends, common stock, preferred shares, bonds, and significant transactions such as mergers and acquisitions. Goals include an understanding of the legal doctrines and concepts which inform corporate finance, and their relevance to transactional and litigation practices.

Students are strongly encouraged to take Business Organizations prior to taking the Corporate Finance class.

Course Requirements:

A seating chart will be handed out on the first day of class which all students must sign. Failure to sit in the appropriate assigned seat will be recorded as an absence. Students are expected to regularly attend class and to be prepared to participate in class discussion. I will assign students the responsibility to discuss the reading assignments for

each class period. However, I may also call on other students to supplement class discussion. Additionally, students are encouraged to volunteer at any time.

Students should also regularly check Blackboard a couple of times a week. A current syllabus will be posted on Blackboard, and I may also post announcements regarding class or reading assignments.

Grading:

There will be one three hour open book examination, which will comprise the majority of the grade in this course. Students may use any written materials during the examination, including the casebook, class notes and outlines, and treatises.

The exam grade will be based on analytical responses to the exam questions, showing the ability to apply the knowledge learned in class and in the reading assignments. Class participation will be counted on a limited basis as an aid to grades, based on thoughtful, analytical participation. For example, if participation warrants an addition to a grade, the grade may be raised to the next highest level, e.g., from a B to a B+. Frequent absences may negatively impact a student's grade, in accord with the Student Handbook. If there is a reason for such absences, please contact me. In cases of extraordinary hardship, I may make exceptions to this absence policy.

Assignments for First Month of Class:

Please be sure to read the applicable statutory provisions where they are referenced in cases or notes in the text.

Week 1: Introduction to Corporate Finance; Accounting and Valuation: Casebook, pages 1-31.

Discounted Cash Flow Analysis and Other Valuation Methods: Casebook, pages 32-56.

Week 2: Par Value and Legal Capital: Casebook, pages 60-67; 74-80; 91-103.

Closely Held Enterprises – Capital Structure; Preemptive Rights: Casebook, pages 123-147.

Week 3: Closely Held Enterprises – Dividends and Distributions: Casebook, pages 147-171.

Common Stock and Fiduciary Duties: Casebook, pages 241-266.

Week 4: Dividend Policy and Share Repurchases: Casebook, pages 266-296.

Buyouts; Introduction to Preferred Stock: Casebook, pages 297-323.