

Finance
Course Number: 33:390:385
Course Title: Investment Banking Analysis

COURSE DESCRIPTION

This course will teach students how to build rigorous financial models in Excel that integrate the Balance Sheet, Income Statement, and Statement of Cash Flows. Valuation is one important output of the model. Students will also learn how to model Leveraged Buyouts (LBOs) and Mergers & Acquisitions in Excel. As a capstone project, students will initiate coverage on a company and write a stock report, with an accompanying financial model and present their findings to the class. The class is designed for students seeking a career in Investment Banking, Equity / Fixed Income Research, or Private Equity.

COURSE MATERIALS

Reference Text: For those students that would like a reference that may be useful for the course and for their career, I recommend the following:

Investment Banking: Valuation, Leveraged Buyouts, and Mergers & Acquisitions / Edition 2
Rosenbaum and Pearl. (Wiley, 2013)

Canvas Account: (* IMPORTANT *) Sample projects, lecture material, and other information will be placed on the Canvas Account for the course (canvas.rutgers.edu).

LEARNING GOALS AND OBJECTIVES

- This course is designed to help students develop skills and knowledge in the following area(s):

Corporate finance, discounted cash flow valuation, relative valuation, financial statement analysis, LBO analysis, and Mergers & Acquisitions Analysis.

- Students who complete this course will demonstrate the following:

Skills in building financial models, analyzing financial statements, and valuing firms.

- Students develop these skills and knowledge through the following course activities and assignments:

Students will complete a comprehensive stock report (and presentation) and build a financial model in Excel.

PREREQUISITES

Financial Management (i.e., “Intro to Finance”) and Introduction to Managerial or Financial Accounting

ACADEMIC INTEGRITY

I do NOT tolerate cheating. Students are responsible for understanding the RU Academic Integrity Policy (<http://academicintegrity.rutgers.edu/>)

I will strongly enforce this Policy and pursue *all* violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, “On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment.” I will screen all written assignments through *SafeAssign* or *Turnitin*, plagiarism detection services that compare the work against a large database of past work. Don’t let cheating destroy your hard-earned opportunity to learn. See business.rutgers.edu/ai for more details.

ATTENDANCE AND PREPARATION POLICY

Attendance is expected at all sessions. If you miss more than 3 classes, 5 points will be deducted from your overall average. To be counted present you must be in the classroom for at least 75% of the class. If I am to be absent, my department chair or I will send you notice via email and Canvas as far in advance as possible. If your absence is due to religious observance, a Rutgers-approved activity, illness, or family emergency/death and you seek makeup work, also send me an email with full details and supporting documentation within 3 days of your first absence.

- For weather emergencies, consult the campus home page. If the campus is open, class will be held, but please do not travel if it jeopardizes your health or well-being.

GROUP PROJECT (Group of 2 students)

Write a stock report valuing the publicly traded firm of your choice. Your analysis should be based on fundamental analysis, current events, industry trends and your own opinions. You must also electronically submit a working financial model in Excel for your firm, since this is one of the primary goals of the class. The bulk of the grade will be based on content, but your paper should also be well written and look professional. You should supplement your report with charts and tables to support your case. No two groups may select the same company and companies will be approved on a first come first serve basis. Approximate length of paper: 15-20 pages.

The **PROJECT IS DUE ()** and there will be a penalty for lateness. All students in the group will receive the same grade regardless of the amount of work done; therefore, choose your partner wisely. Sample “A grade” reports will be placed on the course Canvas Account.

The ability to contribute to and impress others at meetings is an essential business skill. Therefore, the last two weeks of regular class will be devoted to a discussion of the projects. Each group will present their findings in a crisp 10-minute oral presentation. Everyone in the group must speak.

CLASSROOM CONDUCT

Faculty, students, and guests deserve to be treated with dignity and respect. Please refrain from behavior that will negatively impact the learning environment for anyone present in the classroom.

EXAM DATES AND POLICIES

There are 2 exams in this course, which will be held in our regular classroom:

Midterm Exam: Date, () at our regular class time.

Cumulative Final Exam: Date, ().

During exams, the following rules apply:

- You may use a calculator (not a cell phone) and one 8.5x11 sheet of paper (front and back) with anything you want on it (e.g. formulas, definitions, sample problems, etc.) for the midterm and final.
 - There are no makeup exams for the midterm. If you miss the midterm for a valid reason, your final exam weight will be increased to account for both the midterm and final grade. If the final exam is missed, a doctor's note (or other reason of weight in accordance with Rutgers' Academic Integrity Policy) is required to take a makeup final exam.
 - If you have a disability that influences testing procedures, provide me an official letter from the Office of Disability Services at the start of the semester.
 - Please try to use the bathroom prior to the exam start; bathroom breaks, if essential, will be permitted.
 - The RBS Honor Code applies for all exams and course assignments.
-

GRADING POLICY

Course grades are determined as follows:

Midterm (30%); Group Project & Presentation (30%); Cumulative Final (40%)

Class participation is strongly encouraged and will help in borderline cases. Maximum benefit will be obtained from the instructor and students discussing their experiences, when relevant, in the context of the course material.

The Finance & Economics Department is concerned with grade inflation and has issued a grading guideline for its undergraduate courses. The guideline specifies that the average grade (where A=4, B+=3.5, B=3, C+=2.5, C=2, D=1 and F=0) should be between 2.95 and 3.15.

I will not change your grade unless I have made an error. Changing a final grade requires the approval of not only of the instructor, but also the Department Chairperson, and Dean.

COURSE SCHEDULE

To get the maximum benefit from the course, it is strongly recommended that you read the appropriate PowerPoint presentations and / or Excel spreadsheets for each topic (these may be found on the Canvas Account).

- () : Introduction to the Course; Excel Fundamentals
- () : Accounting Fundamentals
- () : Financial Modeling & Valuation: Part 1 (Also you must select your partner for the group project by this class)
- () : Financial Modeling & Valuation: Part 2
- () : Financial Modeling & Valuation: Part 3
- () : Comparable Company Analysis
- () : MIDTERM
- () : Analysis of Company Business Models; Review of Midterm
- () : M&A / LBO Modeling: Part 1
- () : M&A / LBO Modeling: Part 2
- () : Case Studies of Historical Deals; Wall Street 101
- () : (* Projects Due *) Career Panel with Guest Speaker(s) (TBD)
- () : (* No class; Go to () classes on () *)
- () : Student Presentations / Group Projects
- () : Student Presentations / Group Projects
- () : Cumulative Final Exam ()**

SUPPORT SERVICES

If you need accommodation for a *disability*, obtain a Letter of Accommodation from the Office of Disability Services. The Office of Disability Services at Rutgers, The State University of New Jersey, provides student-centered and student-inclusive programming in compliance with the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments of 2008, Section 504 of the Rehabilitation Act of 1973, Section 508 of the Rehabilitation Act of 1998, and the New Jersey Law Against Discrimination. More information can be found at ods.rutgers.edu.

[Rutgers University-New Brunswick ODS phone (848)445-6800 or email dsoffice@echo.rutgers.edu]

[Rutgers University-Newark ODS phone (973)353-5375 or email ods@newark.rutgers.edu]

If you are ***pregnant***, the Office of Title IX and ADA Compliance is available to assist with any concerns or potential accommodations related to pregnancy.

[Rutgers University-New Brunswick Title IX Coordinator phone (848)932-8200 or email jackie.moran@rutgers.edu]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email TitleIX@newark.rutgers.edu]

If you seek ***religious accommodations***, the Office of the Dean of Students is available to verify absences for religious observance, as needed.

[Rutgers University-New Brunswick Dean of Students phone (848)932-2300 or email deanofstudents@echo.rutgers.edu]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email DeanofStudents@newark.rutgers.edu]

If you have experienced any form of ***gender or sex-based discrimination or harassment***, including sexual assault, sexual harassment, relationship violence, or stalking, the Office for Violence Prevention and Victim Assistance provides help and support. More information can be found at <http://vpva.rutgers.edu/>.

[Rutgers University-New Brunswick incident report link: <http://studentconduct.rutgers.edu/concern/>. You may contact the Office for Violence Prevention and Victim Assistance at (848)932-1181]

[Rutgers University-Newark incident report link: https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7 . You may also contact the Office of Title IX and ADA Compliance at (973)353-1906 or email at TitleIX@newark.rutgers.edu. If you wish to speak with a staff member who is confidential and does **not** have a reporting responsibility, you may contact the Office for Violence Prevention and Victim Assistance at (973)353-1918 or email run.vpva@rutgers.edu]

If students who have experienced a temporary condition or injury that is adversely affecting their ability to fully participate, you should submit a request via <https://temporaryconditions.rutgers.edu> .

If you are a military **veteran** or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. <http://veterans.rutgers.edu/>

If you are in need of **mental health** services, please use our readily available services.

[Rutgers University-Newark Counseling Center: <http://counseling.newark.rutgers.edu/>]

[Rutgers Counseling and Psychological Services–New Brunswick: <http://rhscaps.rutgers.edu/>]

If you are in need of **physical health** services, please use our readily available services.

[Rutgers Health Services – Newark: <http://health.newark.rutgers.edu/>]

[Rutgers Health Services – New Brunswick: <http://health.rutgers.edu/>]

If you are in need of **legal** services, please use our readily available services: <http://rusls.rutgers.edu/>

Students experiencing difficulty in courses due to **English as a second language (ESL)** should contact the Program in American Language Studies for supports.

[Rutgers–Newark: PALS@newark.rutgers.edu]

[Rutgers–New Brunswick: eslpals@english.rutgers.edu]

If you are in need of additional **academic assistance**, please use our readily available services.

[Rutgers University-Newark Learning Center: <http://www.ncas.rutgers.edu/rlc>]

[Rutgers University-Newark Writing Center: <http://www.ncas.rutgers.edu/writingcenter>]

[Rutgers University-New Brunswick Learning Center: <https://rlc.rutgers.edu/>]

[Optional items that many faculty include:

- Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.

- Students must sign, date, and return a statement declaring that they understand this syllabus.]