**Course Syllabus – Corporate and Financial Strategy FRE-6361**

David C. Shimko, Industry Full Professor of Financial Engineering

Fall 2018

|  |  |
| --- | --- |
| Instructor email: | [david.shimko@nyu.edu](mailto:david.shimko@nyu.edu) |
| Office: | Room 271, 12 Metrotech, 26th Floor |
| Office hours: | By email appointment |
| Grading assistant: | N/A |

**Course description:**

This is an introduction to corporate financial strategy for MS Financial Engineering students. It is not a course in business strategy, but rather focuses on the financial prerequisites and consequences of business strategies. The course emphasizes the role of financial engineers and financial officers in developing and sustaining competitive advantage through the use of financial engineering analyses to solve difficult corporate problems in case situations.

**Instructor information:**

|  |  |
| --- | --- |
| Prof David C. Shimko | *Resume in brief:*   * Assistant Professor, Marshall School, USC * Adjunct Professor, Harvard Business School * Adjunct Professor, NYU Courant * Head of Commodity Derivatives Research, JPMorgan * Head of Credit Research, JPMorgan * Head of Risk Management Advisory, Bankers Trust * CEO and co-founder of Risk Capital, an independent risk advisory firm * CEO and co-founder of CreditCircle, a marketplace lending platform * Director of public, private and non-profit entities including GARP * Widely published in derivatives valuation, risk management, commodities and credit |

**Class organization:**

There are no required textbooks for this course. Corporate Finance, 4th Edition (MFE Version) by Ivo Welch is recommended as background where students feel they need it. The Welch text is available free online or a print copy may be purchased. Readings will be taken from Wall Street Investment Banking publications, Business School cases, and academic papers. Students will be expected to purchase their own copies of business school cases unless another arrangement is made.

*NYU Classes:* Please follow the course requirements online weekly, as they are likely to change as the term progresses. You must prepare readings before class so that you can participate successfully in discussions

*Required analytic software:* Excel and VBA. **You must have access to Excel to complete your assignments.** You are also welcome to use Python or R for technical work, and for completing your project.

*Course grading:* The course grade is based 50% on class participation and 20% on the draft final paper and 30% on the final paper. The final paper will be in the form of an investment banking report, combining academic research, original research and industry analysis. Ideally, the report will showcase the student’s financial engineering skills

*Office hours:* Prof Shimko by email appointment on the 26th Floor of 12 Metrotech.

**Class outline, subject to revisions:**

|  |  |
| --- | --- |
| Week 1 | Cash balances and shareholder distributions |
| 2 | Case (or cases) on cash balances  Readings on corporate financing strategy |
| 3 | Case (or cases) on corporate financing strategy  Readings on fundraising strategies |
| 4 | Case (or cases) on fundraising strategy  Readings on acquisition strategy |
| 5 | Case (or cases) on acquisition strategy  Readings on risk management strategy  First draft of final paper due |
| 6 | Cases (or cases) on risk management strategy |
| 7 | In class presentations |