

Investment Banking

TERM Spring 2021

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Room: Virtual

DESCRIPTION

This course provides an overview of the investment banking industry including IPOs, equity offerings, debt offerings, valuation, mergers and acquisition, private equity, asset securitization, prime brokerage, sales and trading, and market making. Students will also learn about the changes in the investment banking industry since the financial crisis including Dodd-Frank as well as the rise of boutique investment banking firms. Emphasis will be on traditional corporate finance which includes equity and debt offerings as well as mergers and acquisitions.

OBJECTIVES

The main goal of the course is to provide students with both the quantitative tools as well as the leadership insights needed to successfully obtain a position in the corporate finance department of an investment banking firm. Emphasis will be placed on the skills necessary to evaluate and value companies which is the basic skill required of investment bankers. Significant class time will be spent on leveraged buyouts and mergers and acquisitions.

The course will utilize lectures and case studies. This quarter-length course is designed for upper division undergraduate students.

MATERIALS

The text book for this course is:

Investment Banking Valuation, Leveraged Buyouts and Mergers and Acquisitions
Joshua Rosenbaum and Joshua Pearl
Third Edition University Edition
John Wiley and Sons, Inc. Hoboken, New Jersey

You should also have use of a “financial” calculator and access and knowledge of Microsoft Excel.

The assigned readings, cases and class schedule are given in the attached course outline. *Each student is expected to have completed the reading for each lecture.* Case studies will be due as assigned in the schedule and will be turned in before class on the day due.

ATTENDANCE

You are expected to watch each posted lecture. All lectures will be recorded and posted on Canvas.

EVALUATION AND GRADING

Students will be evaluated based on performance.

There will be seven papers/financial modeling assignments that will be required during the quarter. All will carry equal weight and will account for 50% of the course grade.

Assignments	50% of grade
Midterm	20% of grade
Final	30% of grade

Please note: **All assignments are to be completed individually so collaboration among students is not allowed.**

EXTRA CREDIT: There may be extra credit available during the quarter at the discretion of Professor Dunn. This means that there may or may not be extra credit available. The extra credit, if it is available, will be announced and will be available to all students in the course. There will be a due date associated with a possible extra credit assignment. **If a student turns in their extra credit after the due date they will not receive any extra credit.**

RULES OF ACADEMIC ETIQUETTE

General rules of thumb:

When in doubt about how you should speak, write, or act, always err on the side of formality. You will never offend or annoy someone by being overly formal and polite. While you are in college, your coursework is your job.

You should behave as you would in a professional work environment.

When addressing me in person: Always address me as "Professor Dunn". Do not call me by my first name or anything else unless I explicitly ask you to do so. I am not "Hey" or "Bro" or "Dude". Please use Professor Dunn.

When writing an email to me: Begin the email with "Dear Professor Dunn," or "Dear Prof. Dunn". Do not begin the email "Hi" without addressing your professor by their title and surname.

Be alert to the tone of your message. Any email to a professor or teaching assistant should sound like a formal letter, not a text message or a demand to a customer service representative. For example, you should write:

Dear Professor Dunn, I cannot come to your office hours this week. Could I please see you on Monday instead? What time is convenient for you. Sincerely, Jane

Do NOT write

Hi, I need to talk to you about the test. Can I come by Mon? Thx Jane

Do NOT write

Hello, I'm a senior and I need your class to graduate. TED says I need permission. I need you to enroll me immediately. Jane

Write in complete sentences with correct spelling, grammar, and punctuation. Proofread your email before sending it. If English is not your native language then I suggest you find a native English speaker to look over your writing prior to sending it to me or sending in an assignment.

Rady Undergraduate Advisors: Contact them about enrollment, campus resources, questions about Rady minors, etc. First, look at the Rady Undergraduate Website: <http://rady.ucsd.edu/programs/undergraduate-programs/> Questions? Current UCSD students should send a message through VAC (<http://vac.ucsd.edu/>). Extension students should email undergrad@rady.ucsd.edu .

SCHEDULE

Monday, March 29, 2021 Intro to Investment Banking
History of Investment Banking

Assignment #1 due April 5, 2021 before class

Monday, April 5, 2021 Credit Analysis

Industry Analysis

Assignment #2 due April 12, 2021 before class

Monday, April 12, 2021 Comparable Company
Analysis Chapter 1

Assignment #3 due April 19, 2021 before class

Monday, April 19, 2021 Precedent Transaction
Analysis Chapter 2

Assignment #4 due April 26, 2021 before class

Monday, April 26, 2021 Discounted Cash Flow
Analysis Chapter 3

Assignment #5 due May 3, 2021 before class

Monday, May 3, 2021 **MIDTERM**

Monday, May 10, 2021 Private Equity

Monday, May 17, 2021 Leveraged Buyout Analysis Chapter 4 and 5

Assignment #6 due May 24, 2021 before class

Monday, May 24, 2021 IPO

Assignment #7 Monday, May 31, 2021 before class

June 2, 2021 Sales and Trading

Friday, June 11, 2021 **FINAL 7:00 PM to 10:00 PM 7:00 PM to 10:00 PM**

ACADEMIC INTEGRITY

Integrity of scholarship is essential for an academic community. As members of the Rady School, we pledge ourselves to uphold the highest ethical standards. The University expects that both faculty and students will honor this principle and in so doing protect the validity of University intellectual work. For students, this means that all academic work will be done by the individual to whom it is assigned, without unauthorized aid of any kind.

The complete UCSD Policy on Integrity of Scholarship can be viewed at:
<http://senate.ucsd.edu/manual/Appendices/Appendix2.pdf>

How the Honor Code applies to this course:

Students are expected to complete the course in compliance with the instructor's standards. No student shall engage in any activity that involves attempting to receive a grade by means other than honest effort; for example:

No student shall knowingly procure, provide, or accept any unauthorized material that contains questions or answers to any examination or assignment to be given at a subsequent time.

No student shall complete, in part or in total, any examination or assignment for another person.

No student shall knowingly allow any examination or assignment to be completed, in part or in total, for himself or herself by another person.

No student shall plagiarize or copy the work of another person and submit it as his or her own work.

No student shall employ aids excluded by the instructor in undertaking course work or in completing any exam or assignment.

No student shall alter graded class assignments or examinations and then resubmit them for re-grading.

STUDENTS WITH DISABILITIES

A student who has a disability or special need and requires an accommodation in order to have equal access to the classroom must register with the Office for Students with Disabilities (OSD). The OSD will determine what accommodations may be made and provide the necessary documentation to present to the faculty member.

The student must present the OSD letter of certification and OSD accommodation recommendation to the appropriate faculty member in order to initiate the request for accommodation in classes, examinations, or other academic program activities. **No accommodations can be implemented retroactively.**

Please visit the [OSD website](#) for further information or contact the Office for Students with Disabilities at (858) 534-4382 or osd@ucsd.edu.

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If you do so, you may be subject to student conduct proceedings under the UC San Diego Student Code of Conduct.