



Graduate School of Decision Science and Technology
Tokyo Institute of Technology

東京工業大学・社会理工学研究科・大学院修士課程・経営工学専攻

Syllabus

Corporate Finance 67079

企業経営と財務決定 (Corporate Management and Financial Decision)

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この科目は、最近のコーポレートファイナンス、コーポレートガバナンスの主要論題に関する基本的な知見、研究動向を論文輪読で学び、さらにそこで得たアカデミックな知見を、企業財務の実務の中で活かすことが出来るように、最後に Case を使用した討論を行う。コースのゴールは、学生が自らコーポレートファイナンスまたは関連分野（投資、経営管理、会計）の研究を行い、論文に取り組めるようにすることである。ファイナンスの基礎知識（例えば CAPM: Capital Asset Pricing Model に関する知識）は必要となるため、初学者は毎回のテーマを教科書で事前学習することが要求される。全ての受講生は、各回の全ての論文を読んでくること、自分の担当の論文の 2 ページの英語のレジメを準備してクラス内で報告し、議論をリードすること、ならびにケースの討論に積極的に参加することが要求される。各学生が担当する論文の数は、参加者の数に応じて決定する。なお、講義、討論は主として日本語だが、留学生は英語で報告、討論をして良い。ケース討論は留学生の日本語力を踏まえて、英語か、日本語かを決定する。成績評価は、担当する論文のレポートと報告内容とクラス討論参加点（80%）、およびケース討論参加点（20%）による。

This is a graduate school course of corporate finance. Its goal is to bring master students to the fundamental of corporate study so that they can start their own research in this field and other related field such as investment, corporate management, and accounting. Participants are expected to have basic knowledge of finance such as capital assets pricing model (CAPM) beforehand. This course will follow recent literature in discussing central topics of corporate finance such as corporate governance, capital structure, valuation, mergers and acquisitions, and behavioral corporate finance. In particular, we will focus on empirical studies in these fields. All the participants are

expected to read all the assigned papers. Each participant will be assigned several papers in the following reading list. The number of assigned paper per student will depend on the class size. Each participant is expected to write two page summary of the assigned paper and lead discussion on the paper. In the last two classes, we will discuss cases to provide students a sense how implications from academic researched and real businesses interact. The grade of this course is based on the report for the assigned paper and class participation (80%), and class participation in the case study classes (20%). The class will be discussed primarily in Japanese, but all the reports of the assigned papers are required to be written in English. Non-Japanese students are permitted to report and discuss in English.

Reading List

1. Corporate Finance: Theory and Practice (Inoue)

Graham, J. and C. Harvey (2001) "The theory and practice of corporate finance: Evidence from the field" *Journal of Financial Economics* 60, 187-243

<http://faculty.fuqua.duke.edu/~jgraham/website/SurveyPaper.PDF>

2. Efficient Market (Inoue)

Lo (2007) Efficient Market Hypothesis

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=991509

Fama (1991) Efficient Market ii

<http://www.jstor.org/stable/2328565>

Kothari and Warner (2007) Econometrics of Event Studies,

<http://xa.yimg.com/kq/groups/22100777/1232924180/name/CH1-%25EE%2580%2580EventS%25EE%2580%2581tudies.pdf>

3. Behavioral Finance (Inoue, Nara)

Baker, M. Ruback, R. and Wurgler, J. Behavioral Corporate Finance

http://pages.stern.nyu.edu/~jwurgler/papers/wurgler_baker_ruback.pdf

Shleifer, A and R. Vishny (2003), Stock Market Driven Acquisitions
<http://www.sciencedirect.com/science/article/pii/S0304405X03002113#>

4. Corporate Governance (Inoue)

Jensen (1986) "Agency Costs of Free Cash Flow and Corporate Control."
<http://www.sml.hw.ac.uk/ms75/GP%20Papers/G32.pdf>

Shleifer and Vishny (1997) A Survey of Corporate Governance
<http://www.economics.harvard.edu/faculty/shleifer/files/SurveyCorpGov.pdf>

Gompers, P.A., J.L.Ishii, and A.Metrick (2003) Corporate Governance and Equity Prices
http://papers.ssrn.com/sol3/papers.cfm?abstract_id=278920

5. Law and Finance (Inoue)

La Porta et al. (1998) Law and Finance
<http://mba.tuck.dartmouth.edu/pages/faculty/rafael.laporta/docs/publications/LaPorta%20PDF%20Papers-ALL/Law%20and%20Finance-All/Law%20and%20Finance.pdf>

La Porta et al. (2008) The Economic Consequences of Legal Origins
http://www.economics.harvard.edu/faculty/shleifer/files/consequences_JEL_final.pdf

6. Capital Structure Theory (Inoue)

Modigliani and Miller (1958) The Cost of Capital, Corporation Finance, and the Theory of Investment." American Economic Review 48
<http://bbs.cenet.org.cn/uploadImages/200351010534890199.pdf>

Capital Structure: Rajan and Zingales (1995) What do we know about Capital Structure
<http://www.jstor.org/stable/2329322>

DeAngelo, H. and L. DeAngelo (2007) Capital Structure, Payout Policy, and Financial Flexibility,

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=916093

7. Valuation (Inoue, Nara)

Fernandez, P. (2009) Valuing Companies by Cash Flow Discounting: 10 Methods and 9 Theories

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=256987

Kaplan, S. N. and R.S. Ruback (1995) The Valuation of Cash Flow Forecasts: An Empirical Analysis

<http://www.jstor.org/stable/2329344>

Roll (1986) The Hubris Hypothesis of Corporate Takeovers

<http://www.jstor.org/stable/2353017>

8. Board of Directors (Inoue)

S. N. Kaplan (1997) Corporate Governance and Corporate Performance: A Comparison of Germany, Japan and the U.S.

<http://onlinelibrary.wiley.com/doi/10.1111/j.1745-6622.1997.tb00627.x/abstract>

Core, J.E, W.R. Guay, and D.F. Larcher (2003), Executive Equity Compensation and Incentives: A Survey

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=794806

Frydman, C. (2003) Rising Through the Ranks: The Evolution of the Market for Corporate Executives, 1936-2003

http://web.mit.edu/frydman/www/frydman_market%20for%20executives.pdf

9. Large Shareholders and Shareholder Activism (Inoue)

Rafael La Porta, R., F. Lopez de Silanes, A. Shleifer (1998), Corporate Ownership Around the World

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=103130

Gilan, S. and L.T. Startks (2007) The Evolution of Shareholder Activism in the United States

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=959670&rec=1&srcabs=45100

Jay Dahyaa, J., O. Dimitrovb, J.J. McConnell (2008) Dominant shareholders, corporate boards, and corporate value: A cross-country analysis

<http://www.sciencedirect.com/science/article/pii/S0304405X07001389>

1 0 . Initial Public Offering (Inoue, Nara)

Welch, I. and J.Ritter (2002) A Review of IPO Activity, Pricing, and Allocations

<http://leeds-faculty.colorado.edu/bhagat/IPO-review.pdf>

Kutsuna, Smith, and Smith (2009) Public Information, IPO Price Formation, and Long-run Returns: Japanese Evidence, JF64(1). 2009

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=902661

Ljungqvist, A., V. Nanda, and R. Singh (2006), Hot Markets, Investor Sentiment, and IPO Pricing

<http://www.jstor.org/stable/10.1086/503644>

1 1 . Mergers and Acquisitions (Inoue)

Bradley, Desai and Kim (1988) “Synergistic Gains From Corporate Acquisitions and Their Division Between the Stockholders of Targets and Acquiring Firms”

<http://www.sciencedirect.com/science/article/pii/0304405X8890030X>

Andrade, Mitchell and Stafford (2001) New Evidence and Perspectives on Mergers, JEP15(2)

http://www.people.hbs.edu/estafford/Papers/NewEvidence_PerspectivesOnMergers.pdf

Inoue.K. (2010) Do M&As in Japan Increase Shareholder Value?

To be distributed in the class

1 2 . Corporate Restructuring (Inoue)

Hotchkiss, E.S., K. John, and K. S. Thorburn (2008), Bankruptcy and the Resolution of Financial Distress

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1086942

Hoshi, T, A. Kashyap, and D.Sharfstein (1990) Bank Monitoring and Investment:Evidence from the Changing Structure of Japanese Corporate Banking Relationships

<http://www.nber.org/chapters/c11469.pdf>

Inoue, Kato and Bremer (2008) Corporate restructuring in Japan: Who monitors the monitor?

http://www.sciencedirect.com/science?_ob=ArticleListURL&_method=list&_ArticleListID=2105620416&_sort=r&_st=13&_view=c&_acct=C000010218&_version=1&_urlVersion=0&_userid=126251&md5=0230b9094c985eedf396830de92aa796&search_type=a

1 3 . Corporate Disclosure and Analyst Information (Inoue, Nara)

Healy, P. M., & Palepu, K. G. (2001). Information Asymmetry, Corporate Disclosure, and the Capital Markets: a Review of the Empirical Disclosure Literature. *Journal of Accounting and Economics*, 31 (1-3) (September), 405-440.

<http://www.sciencedirect.com/science/article/pii/S0165410101000180>

Lang M. H. and R. J. Lundholm,(1996). Corporate Disclosure Policy and Analyst Behavior, *The Accounting Review* 71(4), 467-492.

http://public.kenan-flagler.unc.edu/faculty/langm/Publications/Corporate_Disclosure_Policy.pdf

Beaver, W., B. Cornell, W. R. Landsman and S. R. Stubben (2008). The Impact of Analysts' Forecast Errors and Forecast Revisions on Stock Prices. *Journal of Business Finance & Accounting*, 35(5) & (6), 709–740.

<http://onlinelibrary.wiley.com/doi/10.1111/j.1468-5957.2008.02079.x/abstract>

1 4 . Case 1: HBS9-201-063: Seagate Technology Buyout (Inoue)

Topic: Efficient Market and Behavioral Corporate Finance

To be distributed in the class.

1 5 . Case 2: KBS20-08-11256: Competitive Strategy and Anti-takeover Tactics of Nippon Steel (新日鉄の競争戦略と買収防衛) (日本語版・英訳版あり) (Inoue)

Topic: Link between Corporate Finance and Corporate Strategy

To be distributed in the class.