

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 210039-PDF-ENG

Length :

Format : PDF

Used in Folders : IndeStudy2016Finance

Miracle Life is a firm with a unique setup and organizational structure. Specifically, it is a network marketing firm (also known as multi-level marketing (MLM) firm), which utilizes a large distributor base, and depends on this individual distributor base to sell its products, giving explicit incentives for these individual distributors to both sell its products and sign up other distributors. The case gives students the opportunity to take the basic framework of Discounted Cash Flow (DCF) Analysis, and apply it to two unique perspectives of an identical problem. The students will then use this DCF approach to rationalize observed stock prices, connecting the two, and further reconciling how a company's future plan for growth, and the plausibility of this plan, has implications jointly for DCF and stock prices.

■ SUPPLEMENT

Note on Financial Analysis, Problems

Erich A. Helfert Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 206084-PDF-ENG

Length :

Format : PDF

Used in Folders : IndeStudy2016Finance

Presents a problem set.

CASE

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TEACHING NOTE

SUPPLEMENTS EDUCATOR COPY

Samoa Tala Joshua D Coval; Bhagwan Chowdhry; Konark Saxena

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 209053-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

This case examines currency risks faced by Microfinance Institutions, and evaluates strategies to hedge them in countries with pegged currency regimes and no derivatives markets. An MFI based in Western Samoa borrows in different currencies like the US dollar and the New Zealand dollar is worried about the additional variability in its cash flows due to unexpected currency fluctuations, and wants to explore strategies to hedge this risk in the absence of a derivatives market for the Samoan Tala. It seems to the president of the company that borrowing in different currencies, in proportions equal to the weights of the currencies in the basket peg, would reduce the currency risk. He wants to estimate the exact weights of the currencies in the basket peg and measure the reduction of currency risk using this strategy.

■ SUPPLEMENT

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Advantage Partners: Dia Kanri (B)

Paul A. Gompers; Nobuo Sato; Akiko Kanno

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 214017-PDF-ENG

Length

2 of 16

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TEACHING NOTE

Format : PDF

Used in Folders : IndeStudy2016Finance

This case presents the final decision and outcomes for the (A) case.

■ SUPPLEMENT

CityCenter (C): Turmoil and Choices

John D. Macomber Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 210066-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

"CityCenter (C)" follows the (A) and (B) cases chronologically. The (C) case explores the decisions facing MGM MIRAGE following a lawsuit by partner Dubai World and suspension of Dubai World's cash contributions to the project in early 2009. Issues include the discussion of activity by secured lenders and other involved financial actors, like Carl Icahn and James Packer, as well as MGM MIRAGE major stockholder Kirk Kerkorian. The firm considers various options and remedies with respect to the claim by Dubai World. "CityCenter (C)" can serve as an in-class handout to advance class discussion of the (A) and (B) cases to encompass events as they unfolded.

CASE EDUCATOR COPY

Endeca Technologies: New Growth Opportunities

Paul A. Gompers; Kristin A. Perry

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 206041-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

Steve Papa, CEO of Endeca Technologies, must decide whether to expand into a new market with a new application of his company's technology. Endeca has experienced significant success with its information access software in the online retail industry, and in September 2004 is poised to enter similar industries with similar products. However, it also faces an opportunity to create a unique solution for the manufacturing industry, a market the company knows little about and that has proven difficult to enter in the past. Which expansion strategy should Papa choose? Although the manufacturing market would yield a much higher average deal size, significant uncertainty surrounded a move away from Endeca's core business. It would impact the company's sales practices, organizational structure, product requirements, and decisions about whether to partner with other companies in the field. Taylor Hunte Industries, a Fortune 500 giant in the manufacturing industry, has just invited Endeca to submit a request for proposal—due in just 10 days.

CASE McArthur/Glen Realty Corp.

William J. Poorvu; John H. Vogel Jr.

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 394166-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

Jonathan Potter is considering an investment in the newly formed McArthur/Glen Real Estate Investment Trust. The case gives some background on real estate investment trusts and their history. Also discusses manufacturers' outlet shopping centers, the type of real estate that McArthur/Glen Realty owns and develops. The REIT industry is

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TEACHING NOTE

experiencing explosive growth, and it is important to assess its role and viability both as part of the real estate industry and as part of the overall market for public securities.

CASE

Stuyvesant Town - Peter Cooper Village: America's Largest Foreclosure

Arthur I Segel; Gregory S. Feldman; James T. Liu; Elizabeth C. Williamson

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 211106-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

In July 2010, William Ackman, the founder of Pershing Square, is considering a potential new opportunity: the acquisition of the distressed Stuyvesant Town and Peter Cooper Village ("ST /PCV") complex. The property had recently been abandoned by its owners and had come under the control of CW Capital, the special servicer for the vast amount of debt that was in default. Any investment in a distressed property could be very risky and might require the company to seek protection in the bankruptcy courts. While the bankruptcy process was not new for Ackman, it could add significant complexity and unknown outcomes. Ackman must consider whether this is a worthwhile investment, given the ambiguous valuation and significant public scrutiny of any investment deal.

□ CASE EDUCATOR COPY

China Magic Going Home

Li Jin; Zhihong Yi; Jun Jiang

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 211036-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

The largest Chinese energy company is thinking about a cross-listing back into the mainland stock exchange, after seeing the valuation of comparable companies on the so-called A share market sky-rocketing. We discuss the cause and the consequence of investor sentiment on the cross-listing decision of firms, and the responsibilities of corporate managers to maximize existing shareholder interests through catering to such investor sentiment.

■ CASE EDUCATOR COPY

Merrill Lynch HOLDRS

Andre F. Perold; Simon Brown

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 201059-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

Exchange-traded funds (ETFs) and HOLDRS (Holding Company Depositary Receipts) represent recent and highly successful capital market innovations. HOLDRS closely approximates a buy-and-hold strategy, and Merrill Lynch believes the product has significantly lower taxes and other costs than ETFs. The firm is considering broadening the market for HOLDRS by introducing a new 50-stock basket, "Market 2000+ HOLDRS," that would hold 50 of the world's top-capitalized stocks.

CASE

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Brent Walker Group PLC Steven R. Fenster; Andrew S. Park

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School
Product # : 293078-PDF-ENG

Length :

Format : PDF

Used in Folders : IndeStudy2016Finance

The Brent Walker Group completed the largest out-of-court restructuring in the United Kingdom. After overexpansion in the 1980s, the company pursued a large acquisition financed with debt and then encountered falling asset prices. With the assistance of the Bank of England, the company reached an accommodation with its lenders involving deferral of interest and conversion of debt to equity. The case presents the negotiating challenges faced by the company's creditor classes and portrays the distinct roles of management, shareholders, and directors in U.K. restructuring. When studied in comparison with U.S. restructuring practices, the situation provides an interesting example of an international reorganization.

SUPPLEMENT

TA Associates--MetroPCS (B)

Nabil N. El-Hage Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 208058-HCB-ENG

Length :

Format : Hardcopy Black & White
Used in Folders : IndeStudy2016Finance

Supplements the (A) case.

This case is available in only hard copy format (HBP does not have digital distribution rights to the content). As a result, a digital Educator Copy of the case is not available through this web site.

MODULE NOTE

Evaluating M&A Deals--Equity Consideration

Carliss Y. Baldwin Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School
Product # : 208077-PDF-ENG

Length :

Format : PDF

Used in Folders : IndeStudy2016Finance

What the acquiring company pays for a target in a merger or acquisition is called "consideration." Consideration can be in the form of cash, shares, or a combination of the two. Lays out the basic mechanics of equity consideration. Derives formulas for the Deal NPV of an all-equity deal and shows how to calculate and interpret key parameters, including percentage ownership, the exchange ratio, the acquisition premium, the wealth transfer, and the target's downside protection. Explains how synergies and over-valued shares affect the Deal NPV. Also shows how to calculate critical break-even exchange ratios. Ends by looking at cash-and-stock deals.

CASE

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Benjamin Rosen and Compaq

William A. Sahlman; Jason Green

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 296002-PDF-ENG

Length

Format : PDF

Used in Folders : IndeStudy2016Finance

Addresses the challenges faced by Ben Rosen and the company board of directors as continuing problems force it to make a decision about the ongoing governance of the firm. The issues are complicated by the current CEO and founder, Rod Canion, who has had, until recently, a very successful track record and is very highly regarded within the company and the industry.

CASE

Bidding for Antamina (audio version)

Peter Tufano; Alberto Moel TEACHING NOTE

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 297054-AU3-ENG

Length :

Format : Audio MP3

Used in Folders : IndeStudy2016Finance

In June 1996, executives of the multinational mining company RTZ-CRA contemplate bidding to acquire the Antamina copper and zinc mine in Peru. The Antamina project is being offered for sale by auction as part of the privatization of Peru's state mining company. RTZ-CRA has to determine what the mine is worth and decide whether and how it should bid in the upcoming auction. The bidding rules put in place by the Peruvian government dictate that each company's bid contain two components: an up-front cash amount and an amount the bidder will invest to develop the property if development is warranted after further exploration is completed.

CASE

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TEACHING NOTE

SUPPLEMENTS

AUDIO SAMPLE

Swedish Lottery Bonds

George Chacko; Peter Hecht; Vincent Dessain; Anders Sjoman

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School
Product # : 204048-PDF-ENG

Product # : 204048 Length :

Format : PDF

Used in Folders : IndeStudy2016Finance

Profiling nonsystematic risk for a bond investor, the case describes lottery bond issues by the Swedish National Debt Office (SNDO). Swedish lottery bonds are a specific type of financial fixed income instrument for Swedish retail investors. The distinctive feature of lottery bonds is that, unlike traditional institutional bonds, the normally guaranteed interest—the coupon—here only is paid as "wins" to bondholders selected in drawings. The case takes place in March 2003, when Anders Holmlund, head of analysis, is reviewing the proposal for the next lottery bond issue. While reviewing the features of the bond issue, he also considers the larger picture: What are the benefits to the Debt Office of issuing lottery bonds, especially in view of a recently launched Internet-based sales system that allows retail investors to take part in government bond auctions?

CASE

Restructuring Navigator Gas Transport Plc.

C. Fritz Foley

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 207092-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

How should creditors pursue their claims in a multi-jurisdiction bankruptcy? David Butters, Managing Director at

6 of 16

Lehman Brothers, negotiates a restructuring of Navigator Gas Transport, a shipping company that is headquartered in Switzerland, incorporated in the Isle of Man, and operates ships that travel around the world. In analyzing the choices he faces, students must consider how the initial capitalization of Navigator contributed to its financial distress, evaluate several restructuring plans from a variety of perspectives, and assess how Butters might resolve the legal inconsistencies that arise in a multi-jurisdiction bankruptcy. In addition, they must determine if Butters has sufficient information about, and control over, operations at Navigator to be confident engaging in a lengthy set of legal proceedings.

■ CASE EDUCATOR COPY

Envisioning "Free Banking" in Antebellum New York (A)

Cole Bolton; David A. Moss Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 708038-PDF-FNG

Length :

Format : PDF

Used in Folders : IndeStudy2016Finance

Banks throughout New York State suspended specie payments (i.e., payments in gold and silver) in May 1837 following the collapse of several state banks, and the onset of a nationwide financial panic. Amid the chaos, the upstart Whigs were able to depose the longstanding Republican majority in the state legislature. Responding to citizen anger, as well as perennial calls for more banking capital, the Whigs drafted a novel "free banking" bill, which would override the established bank chartering mechanism and allow any association with sufficient capital the opportunity to open a bank and issue bank notes (a widely accepted form of paper money at the time). The bill also required that every note issued by a New York bank be fully backed by bonds or mortgages. if enacted, the bill seemed likely to encourage the establishment of many new banks. There was no telling what the economic impact of the bill's special bank note provisions would be. Once the bill passed the legislature, Governor Marcy had to decide whether to sign this radical proposal into law.

CASE EDUCATOR COPY

eSurg (B): Second Round Financing

Jay O. Light; Anthony Massaro

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 201051-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

An embryonic online medical supplies firm must negotiate a second-round funding.

■ CASE EDUCATOR COPY

Banque Paribas: Paribas Derives Garantis

Scott P. Mason; Kuljot Singh Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School
Product # : 295008-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

In March 1993, the management of Paribas Capital Markets is making a final review of the proposal to set up Paribas Derives Garantis (PDG), a special-purpose subsidiary of Compagnie Financiere de Paribas (CFP), that would guarantee derivative products offered by Banque Paribas. The proposal is unique in a number of ways and CFP will be the first banking group to create such a subsidiary. The management of Paribas Capital Markets now has to present to the board of directors of CFP, Banque Paribas's parent, the logic for forming PDG, the structure of

the subsidiary, and a justification for the required commitment of capital. In conjunction with Derivative Markets: Structure and Risks, can be used to explore the structure and risks of the OTC derivatives market, and in more detail, the creation of a triple-A subsidiary and credit risk management.

CASE

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TEACHING NOTE

Making Room for the Baby Boom: Senior Living

Charles F Wu; Joseph Beyer Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 215003-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

Tom Alperin's National Development has purchased a building site in affluent Wellesley, MA, and is in the process of deciding whether to build apartments, a combination of independent living and assisted living units for seniors, or perhaps even higher acuity facilities.

The case describes several issues for the continuum of senior care alternatives for residents and developers. What motivates seniors to leave their homesteads for much smaller spaces? How can they afford to do so? What are the physical as well as operational challenges for operators when serving the different levels of acuity? The case also describes what zoning issues may be faced by developers who seek to build in attractive but challenging neighborhoods. Furthermore, how can a successful operator branch out into new businesses? When should the operator form joint ventures to help them achieve their strategic ends?

Analytical tools discussed include: development metrics, impact of financing on projects, as well as analytical methods to forecast market demand.

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TEACHING NOTE

Sino-Forest (C)
David F. Hawkins
Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 112067-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

CASE

Real Property Negotiation Game: Seller Case, Raleigh Commons (A)

Arthur I Segel; John H. Vogel Jr.

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 209039-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

The Real Property Negotiation Game simulates the experience negotiating the sale, purchase, or financing of a property. The class competes as either a lender, buyer, or one of two groups of sellers, Raleigh, North Carolina and Las Vegas, Nevada. The seller case, Raleigh Commons, for the Real Property Negotiation Game. Steve Stroud must decide whether and at what price to sell his property.

CASE

SUPPLEMENTS EDUCATOR COPY

International Carbon Finance and EcoSecurities

Andre F. Perold; Forest Reinhardt; Mikell Hyman

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School
Product # : 208151-PDF-ENG

Length :

Format : PDF

Used in Folders : IndeStudy2016Finance

To maximize their effectiveness, color cases should be printed in color.

In late 2007, EcoSecurities had to decide whether to undertake a new Clean Development Mechanism (CDM) project in China. EcoSecurities was an aggregator of carbon credits and also invested directly in projects that produced carbon credits. Governments and firms required to cut their greenhouse gas emissions under the Kyoto Protocol could use carbon credits to fulfill part of their compliance obligations. As demand for UN-issued carbon credits rose, the UN approval process had become increasingly burdensome. The Ventilation Air Methane Project was an opportunity to break into a new sector with large potential, and the economics and risks of the project needed to be assessed.

CASE

Braddock Industries, Inc.

William E. Fruhan Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 211061-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

This case examines the drivers of economic value creation for shareholders, and how these drivers are reflected in various incentive compensation programs for management. The case also looks at how the economic performance of business units can be evaluated using measures of economic value creation.

CASE

Morningstar, Inc.

Andre F. Perold; Markus F. Mullarkey

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 298140-PDF-ENG

Length :

Format : PDF

Used in Folders : IndeStudy2016Finance

Morningstar, Inc., a publisher of information for mutual fund investors, is considering alternative strategies for broadening its subscriber base and increasing its revenues. Potential strategies include tailoring information for the defined contribution pension fund marketplace, and licensing Morningstar's performance ratings to fund complexes. This case provides a setting in which to discuss the U.S. mutual fund industry, with particular focus on mutual fund performance measurement and the information needs of consumers of mutual funds.

CASE

Graybar Syndications

William J. Poorvu Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 313324-PDF-ENG

TEACHING NOTE

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Length

Format : PDF

Used in Folders : IndeStudy2016Finance

A potential investor evaluates a proposed offering--a major office building in downtown Manhattan.

CASE

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TEACHING PLAN

Vertex Pharmaceuticals and the Cystic Fibrosis Foundation: Venture Philanthropy Funding for Biotech

Robert F. Higgins; Brent Kazan Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 808005-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

In 2001, Vertex Pharmaceuticals Incorporated acquired the San Diego-based biotech company, Aurora Biosciences. The combination of Vertex's and Aurora's technologies would improve the flow of novel drug candidates into development. However, several questions related to the integration of Aurora into Vertex were still unresolved, the most pressing being Aurora's major collaboration with the Cystic Fibrosis Foundation (CFF). Were venture philanthropy and foundation deals an appropriate funding mechanism for a public company like Vertex? How could the board of Vertex and the CFF fundamentally align the objectives of a for-profit company with those of a non-profit institution? Those were the questions faced by the Vertex executives.

CASE

Offshoring at Global Information Systems, Inc.

William E. Fruhan Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School
Product # : 204144-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

This case explores the topic of offshoring high-tech jobs several perspectives. The issues presented include determining the stock price consequences of offshoring, examining the economic consequences of the offshore job to both the transferring and receiving countries, considering the competitive consequences of not offshoring, and thinking through the challenge of investing in a career that is vulnerable to future offshoring.

CASE

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TEACHING NOTE

Children's Investment Fund, 2005

Randolph B. Cohen; Joshua B. Sandbulte

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 206092-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

TCI, The Children's Investment Fund, is a London-based hedge fund. The firm donates a significant fraction of the fees it earns to a charitable foundation. In 2005, TCI took a large stake in Deutsche Borse, the stock exchange in Frankfurt. Its battle with management disrupted a proposed merger and caused the CEO to exit. Addresses a variety of issues in the investments business, including: How do stock pickers create value? What are the benefits of long-term vs. short-term orientation, buying vs. selling short, and a generalist vs. a specialist approach? What is the role of shareholder activism in corporate governance? Do the investment business and charitable giving mix?

SUPPLEMENTS

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TEACHING NOTE

CASE

Union Carbide Corp.: Interest Rate Risk Management

Peter Tufano; Jonathan S. Headley

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 294057-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

Union Carbide's board of directors is asked to evaluate a proposal from the staff treasurer's that would articulate policies to manage its debt portfolio. The staff proposes that shareholder value will be maximized if the firm manages its exposure to interest rates by matching the duration of its liabilities to that of its assets. Based on statistical analysis, examination of rivals' policies, and reasoning, they argue that the firm, establish a benchmark duration for its liabilities against which all future active management activities be measured.

■ CASE EDUCATOR COPY

Battle of Union Square

Nabil N. El-Hage; Stephen Parks

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 208036-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

Union Square Ventures, a Private Equity firm founded in 2003, filed a trademark infringement suit against Union Square Partners, another private equity firm founded in November 2006. Examines the possible impact that public litigation will have on the two firms. The impact of the litigation will be different for each firm because they are at dissimilar development stages and plan to employ distinct investment strategies. Also examines possible resolutions available to the management of the two funds.

■ CASE EDUCATOR COPY

Dubai: Debt Development and Crisis (A) TEACHING NOTE

Dubai: Debt, Development, and Crisis (A) Aldo Musacchio; Andrew Goodman; Claire Qureshi

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 710069-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

On November 25, 2009, the city state of Dubai stunned markets by announcing that Dubai World, its flagship state holding company, would seek a six-month "standstill" on at least \$4 billion U.S. dollars of its \$26 billion in debt obligations. This case describes Dubai's development strategy in detail and narrates how, as part of that strategy, a series of state-owned holding companies accumulated billions of dollars in debt. The (A) case ends as Sheikh Ahmed bin Saeed, chairman of Dubai's Fiscal Committee, has to decide what to do about the financial troubles of Dubai World and other state-owned holding companies. The case presents Sheikh Ahmed bin Saeed having to decide among three options: the Dubai government can guarantee the debt, they can renegotiate the debt, or they can walk away (i.e., default). The B case describes the decision and the reactions to this decision around the world and presents a new decision on the part of bond holders of Dubai's state-owned holding companies. The C case briefly analyzes the advantages and disadvantages of Dubai's bankruptcy procedures, both for investors and for the holding companies of Dubai.

CASE SUPPLEMENTS EDUCATOR COPY

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TEACHING NOTE

Esmark, Inc. (B) TEACHING NOTE

William E. Fruhan; Ernesto Cruz

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School
Product # : 283014-PDF-ENG

Length :

Format : PDF

Used in Folders : IndeStudy2016Finance

Esmark's management sells its most valuable business and its most unattractive business in an effort to reposition itself and maximize shareholder value.

CASE

Compensation at Level 3 Communications

Lisa Meulbroek Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 202084-PDF-ENG

Length :

Format : PDF

Used in Folders : IndeStudy2016Finance

Level 3's unique compensation plan rewarded managers for the firm's performance only if the firm's stock price movement exceeded that of the market. This design was intended to maximize shareholder value by tying manager's performance more closely to that of the firm, rather than tying it to the level of the overall market. The past year had been a difficult one for the telecommunications sector, and Level 3, like many other firms, was concerned about both retaining employees and adequately compensating them. Moreover, Level 3 needed to hire a substantial number of employees over the coming year, and the firm's compensation plan would play a significant role in attracting good employees. With the annual compensation committee meeting approaching, the CEO must reevaluate whether the plan was successful and whether any changes were warranted. Possible changes included changing its benchmark index from the S&P 500 to another (perhaps more specialized) index and adjusting the size of the indexed option grant and its cash/option mix to produce the right incentives in light of falling stock prices.

CASE

Nikkei 225 Reconstitution

Robin Greenwood Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 207109-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

Taka Haneda, a proprietary trader at the Tokyo office of Goldman Sachs, has just learned that the Nikkei 225 will undergo a significant redefinition over the coming week. He faces several billion dollars of customer orders, as well

as the opportunity to commit the firm's capital to provide liquidity for the event. He must decide what positions to establish, and at what price he is willing to get out.

□ CASE EDUCATOR COPY

Artisan Entertainment Inc.

Nabil N. El-Hage; Christopher E.J. Payton

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 207067-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

Geoff Rehnert and Marc Wolpow have left Bain Capital to launch Audax Group. As part of their separation, they have been granted 90-day options to purchase Bain Capital's stake in a number of portfolio companies at Fair Market Value. As they consider whether to exercise their option to purchase Bain Capital's stake in Artisan Entertainment, the company has an extremely successful launch of "The Blair Witch Project." However, Rehnert and Wolpow have not yet raised Audax Group's first fund, and are not able personally to finance the purchase, which would require approximately \$30 million. They must decide whether to go through with the purchase, and how to finance it, keeping in mind any issues such an investment would raise for prospective investors in their first private equity fund.

■ CASE EDUCATOR COPY

Private Equity Finance Vignettes: 2016

Paul A. Gompers; Victoria Ivashina

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 216005-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

This case contains four vignettes that provide an introduction to the issues covered in the course, Private Equity

■ SUPPLEMENT EDUCATOR COPY

Basel II: Assessing the Default and Loss Characteristics of Project Finance

Loans (B)

Benjamin C. Esty; Aldo Sesia Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 204094-PDF-ENG

Length :

Format : PDF

Used in Folders : IndeStudy2016Finance

Supplements the (A) case.

□ CASE EDUCATOR COPY

FX Risk Hedging at EADS

W. Carl Kester; Vincent Dessain; Karol Misztal

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 213080-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

In 2008, EADS, the European aerospace group that owns Airbus, was faced with the decision of how best to hedge a large and growing mismatch between its dollar revenues and its euro manufacturing costs. Specifically, the company needed to decide if it would continue hedging primarily with forward contracts, but in much higher volumes and at increasingly unfavorable rates, or to break with past practice and begin using foreign exchange option contracts. The decision would have consequences for EADS' profitability, cash flow, and its ability to fund strategic

investment programs crucial to its ability to remain competitive with Boeing. Students must address questions concerning the proper way to measure foreign exchange exposures, the objectives of a rational risk management policy and program for a company like EADS competing in a duopoly with Boeing, the differences between hedging with FX options versus FX futures, counterparty risk, and hedge accounting, among other considerations.

■ CASE EDUCATOR COPY

Farallon Capital Management: Risk Arbitrage (C)

Andre F. Perold; Robert Howard

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 299022-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

Farallon Capital Management, an investment firm that specializes in risk arbitrage, has taken significant long and short positions in MCI Communications and British Telecommunications, respectively, in the belief that the proposed merger of these firms will be successfully completed. Raises the issues facing Farallon as positive and negative events relating to the merger unfold. Provides a rich institutional setting for understanding merger arbitrage and its function in capital markets.

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The Amsterdam World Trade Center

A. Eugene Kohn; Brent Kazan; David Lane; Nhat Nguyen; Hans van Tartwijk

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 208078-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

Late in September 2001, Hans van Tartwijk, president of Trimp & van Tartwijk Property Development (TvT) of Amsterdam, Holland, was deeply worried about the status of his largest ongoing project; the Amsterdam World Trade Center (WTC). As the discretionary developer, van Tartwijk needed to present his firm's recommendations to WTC owners and municipal stakeholders on how best to manage problems in the renovation of the 27-floor, 60,000 square meter complex. The WTC owners, two Dutch financial institutions, had hired TvT in 1995 to advise out how to best handle their property's under performance, which stood 20% empty and had prematurely aged. 1. Should the Owners sell, perform minimum upgrade or a major upgrade with construction, expansion? 2. What emphasis - commitment made to Green Technologies?

CASE

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Iceland (A) Aldo Musacchio

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School
Product # : 709011-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

In May of 2008, a team of sovereign debt analysts at Moody's had to decide whether to downgrade the country's sovereign long-term debt from Aaa to Aa1 or lower. Investor sentiment toward Iceland had changed radically in March, and the Moody's team was fearful that the situation could spiral out of control. The Moody's team knew that carry traders increased Iceland's vulnerability to a confidence crisis because they were quick to liquidate their holdings at the first sign of distress. The plunge in the Icelandic Krona since the beginning of 2008 also forced the Icelandic people to confront a decision: would joining the European Union (EU) protect Iceland from capricious

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swings in investor sentiment? What, if anything, should Iceland do to avoid a future crisis?

CASE

Cachet Technologies

Paul A. Gompers; Howard Firestone Reitz

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 200031-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

Describes the decision facing Danny Lewin, Jonathan Seelig, and Tom Leighton, the founders of Cachet Technologies, an MIT spin-out. The firm has done poorly in the annual MIT business plan competition and the

founders have to decide whether to continue.

SUPPLEMENT

BCI Growth III: November 1993

Josh Lerner

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 298103-PDF-ENG

Length : PDF

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Supplements BCI Growth III: May 1993.

CASE

Nova Chemical Corp.

Scott P. Mason

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School
Product # : 290059-PDF-ENG

Length :

Format : PDF

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A diversified chemical company must decide whether to sell its basic chemicals division and expand the specialty chemicals division.

CASE

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Delaware Worldwide Corp.

Ronald W. Moore

Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School
Product # : 205047-PDF-ENG

Length : PDF

Used in Folders : IndeStudy2016Finance

Discusses the bankruptcy reorganization process, with an emphasis on valuation and capital structure. Serves as

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the basis for a bankruptcy reorganization game that has been used for many years in Creating Value Through Corporate Restructuring, a second-year finance course. The game is played in Chapter 11, after previous efforts to complete an out-of-court restructuring failed. Students are divided into five claimholder groups—secured debt holders, unsecured senior debt holders, etc.—and these groups, under the supervision of a bankruptcy judge, must negotiate a satisfactory plan of reorganization or suffer significant incremental losses through liquidation. Provides the background information with respect to Delaware's history, prospects, and financial condition necessary to play the game. A rewritten version of an earlier case.

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LG Display

Dennis Campbell; Rui Lu Added on Jul 26, 2016

▼ Details

Discipline : Finance

Source : Harvard Business School

Product # : 111072-PDF-ENG

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