

Georgia Institute of Technology

Scheller College of Business

IMBA 6071 – Financial Management

Cohort A | Fall 2026

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"I never did anything worth doing by accident, nor did any of my inventions come by accident. They came by work." — Thomas Edison

"Good judgment comes from experience. Experience comes from bad judgment." — Walter Wriston

Contents

- ▶ Objective
- ▶ Required Text
- ▶ Grading Scheme
- ▶ Homework
- ▶ Exams
- ▶ Group Case Analysis
- ▶ Time Management
- ▶ Office Hours
- ▶ Assignment & Deliverable Schedule
- ▶ Summary Course Outline
- ▶ Case Discussion Questions

Objective

This course is designed to provide participants with a rigorous and practical understanding of core finance concepts and how they are applied by corporate managers and investors. Participants will develop fluency in

the language and tools of finance, with an emphasis on analytical problem-solving, real-world case analysis, and sound judgment under uncertainty. The course integrates international and ethical considerations throughout.

By the end of this course, participants will be able to:

1. Apply time value of money principles to value cash flows, bonds, and equities, and use these tools to evaluate investment and financing decisions in complex, real-world settings.
2. Analyze the risk-return tradeoff at both the individual security and portfolio level, construct the cost of capital for a firm or division using the Capital Asset Pricing Model (CAPM), and use this cost of capital to evaluate capital budgeting decisions.
3. Evaluate corporate investment and financing decisions using NPV, IRR, and other capital budgeting techniques, including the ability to critically assess the assumptions embedded in financial models and identify value-creating versus value-destroying strategic choices.
4. Interpret and critique real-world financial decisions—as seen in the Lockheed Tri Star, Target, Buffett, and Marriott cases—demonstrating the ability to synthesize quantitative analysis with qualitative strategic judgment and communicate findings clearly to senior leadership.

Required Text

Corporate Finance, 13th edition, by Ross, Westerfield, Jaffe, and Jordan.

Course Notes including cases will be available on Canvas by August 15, 2026.

The Wall Street Journal (Highly recommended — free through the GT library at wsj.com/GATech).

Grading Scheme

Component	Weight
Case Analysis	30%
Attendance + Peer Evaluation (5% each)	10%
Mid-Term Exam	30%
Final Exam	30%

Homework

Homework problems are listed at the end of each module outline. Problems will not be collected or graded, but solutions will be provided. Exam questions are similar in style and difficulty to the homework problems. Solutions to back-of-the-chapter problems are available on Canvas.

Exams

Exams consist primarily of quantitative problems. Both the mid-term and final are take-home, open-book, and open-notes. Several past exams with solutions are posted on Canvas. Submissions are made via Canvas by the posted due date.

Group Case Analysis

Cases are completed in groups. A written analysis is due before the case is discussed in class and submitted via Canvas. There will be a peer evaluation component. Written analysis is required for the Target and Buffett's Bid cases.

5. Lockheed Tri Star (291-031-PDF-ENG)
 6. Target Corporation (UV1057-PDF-ENG)
 7. Buffett's Bid for Media General's Newspapers (213142-PDF-ENG)
 8. Marriott's Cost of Capital (298101-PDF-ENG)
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Time Management

Participants are expected to invest approximately twelve hours between bi-weekly meetings. Roughly seventy percent of that time should be devoted to group case work; the remaining thirty percent to class preparation and homework problems.

Office Hours

Wednesdays, 6:00–7:00 p.m. via Zoom: <https://gatech.zoom.us/j/92682620089>. If this time does not work, please e-mail to arrange an alternative.

Assignment & Deliverable Schedule

Due Date	Assignment	Group / Individual	Submission	Comments
Sep 12, 2026	Lockheed Case	Group	No write-up required	Completed in class
Oct 10, 2026	Target Case	Group	Write-up required—upload to Canvas	Written analysis due before class
Oct 31, 2026	Mid-Term Exam	Individual	Take-home—upload to Canvas	Open-book / open-notes
Nov 13, 2026	Buffett's Case	Group	Write-up required—hard copy	Written analysis due before class
Nov 13, 2026	Marriott Case	Individual	No write-up required	Virtual session
Dec 8, 2026	Final Exam	Individual	Take-home—upload to Canvas by 11:59 p.m.	Open-book / open-notes

Summary Course Outline

Session	Date	Description	Remarks
1	8/22/2026 (Saturday)	Introduction	Chapter 1
	8/22/2026 (Saturday)	Discounted Cash Flow Valuation	Chapter 4 HW 4-52, 4-55, 4-56
2	9/5/2026 (Saturday)	NPV and Other Investment Rules	Chapter 5 HW 5-11, 5-14, 5-19
	9/5/2026 (Saturday)	Making Capital Investment Decisions	Chapter 6 HW 6-13, 6-15, 6-23
3	Virtual*	Efficient Markets	Chapter 14
4	9/12/2026 (Saturday)	Lockheed Case (in class)	Canvas No write-up required
	9/12/2026 (Saturday)	Bond Valuation	Chapter 8 HW 8-29, 8-31
5	10/10/2026 (Saturday)	Review & Take-Home Mid-Term (Open Book/Open Notes) — Due 10/31/2026	Chapters 1, 4, 5, 6
	10/10/2026 (Saturday)	Stock Valuation	Chapter 9 HW 9-24, 9-27, 9-31

	10/10/2026 (Saturday)	Target Case Due	Canvas Group write-up required
6	10/31/2026 (Saturday)	Risk and Return	Chapter 10
	10/31/2026 (Saturday)	Risk and Return (continued)	Chapter 11 HW 11-31, 11-35, 11-36
	10/31/2026 (Saturday)	Risk, Cost of Capital, and Valuation	Chapter 13 HW 13-13, 13-20, 13-21
7	Virtual*	Personal Finance	
8	Virtual*	Marriott Case	Canvas No write-up required
9	11/13/2026 (Friday)	EVA and MVA	Course Notes
	11/13/2026 (Friday)	Buffett's Case Due	Canvas Group write-up required
	11/13/2026 (Friday)	Review for Final & Take-Home Final (Open Book/Open Notes) — Due December 8, 2026	Chapters 8, 9, 10, 11, 13, 14

* Virtual sessions are pre-recorded. Watch the video before the relevant in-person session.

Case Discussion Questions

Lockheed Tri Star

9. At planned (210 units) production levels, what was the true value of the Tri Star program?
10. At a “break even” production of roughly 300 units, did Lockheed break even in value terms?
11. At what sales volume did the Tri Star program reach true economic (as opposed to accounting) break even?
12. Was the decision to pursue the Tri Star program a reasonable one? What were the effects of this project on Lockheed shareholders?

Target Corporation

13. Be prepared to describe and critique Target’s capital-budgeting system. Give specific consideration to the role of the real-estate managers and the makeup of the CEC.
14. Which of the five CPRs should Doug Scovanner accept? Be prepared to explain how each of the following influenced your decision: (a) NPV and IRR; (b) size of the project; (c) cannibalization of other stores’ sales; (d) store sensitivities; (e) variance to prototype; (f) customer demographics; (g) brand-awareness impact.
15. As a member of the CEC, would you continue to approve CPRs if it meant that Target would need to fund the requests with external funds—debt or equity?

Buffett’s Bid for Media General’s Newspapers

16. Why does Warren Buffett want to buy MEG’s newspaper division?
17. Is MEG’s newspaper division worth \$142 million? Start by valuing the newspaper division, assuming the cash flow forecast in Exhibit 10 is reasonable. Assume WACC = 11.06%, a closing date of January 1, 2012, and subtract \$30 million to reflect the exclusion of the Tampa Tribune.
18. Are the cash flow forecasts reasonable? What are the critical assumptions needed for the newspaper division to be worth \$142 million? To be worth more than \$142 million?

Marriott’s Cost of Capital

19. Are the four components of Marriott’s financial strategy consistent with its growth objective?
20. How does Marriott use its estimate of the cost of capital? Does this make sense?
21. What is the WACC for Marriott as a whole? What risk-free rate and risk premium did you use? How did you measure the cost of debt?
22. What type of investments would you value using Marriott’s WACC?
23. If Marriott used a single corporate hurdle rate for all lines of business, what would happen to the company over time?
24. What is the cost of capital for the lodging and restaurant divisions? What risk-free rate, risk premium, and beta did you use for each division, and why?
25. What is the cost of capital for Marriott’s contract services division? How can you estimate its equity costs without publicly traded comparable companies?

Module Outlines

8/22/2026 (Saturday)**Module 1****Introduction****Module Objectives:**

This module provides a framework for studying the financial decisions of corporate managers. Topics include the major forms of business organization, common stockholder wealth maximization as the managerial objective, and the agency costs that arise between management and shareholders.

Participant's Preparations:

Before class, read Chapter 1 — Ross, Westerfield, Jaffe, and Jordan.

Participant's Materials:

Corporate Finance — Ross, Westerfield, Jaffe, and Jordan

Participant's After-Class Assignment:

None

8/22/2026 (Saturday)**Module 2****Discounted Cash Flow Valuation****Module Objectives:**

Positive interest rates imply that a dollar today is worth more than a dollar in the future. This module develops techniques for computing the present and future value of cash flows, introduces financial market valuation, and presents the basic principles of rational investment decision-making.

Participant's Preparations:

Before class, read Chapter 4 — Ross, Westerfield, Jaffe, and Jordan.

Participant's Materials:

Corporate Finance — Ross, Westerfield, Jaffe, and Jordan

Participant's After-Class Assignment:

Problems 4-52, 4-55, 4-56

9/5/2026 (Saturday)**Module 3****NPV and Other Investment Rules****Module Objectives:**

Managers must allocate financial resources among competing investment opportunities. This module introduces and compares capital budgeting techniques—including NPV, IRR, payback period, and profitability index—and explains why NPV is the preferred criterion for value maximization.

Participant's Preparations:

Before class, read Chapter 5 — Ross, Westerfield, Jaffe, and Jordan.

Participant's Materials:

Corporate Finance — Ross, Westerfield, Jaffe, and Jordan

Participant's After-Class Assignment:

Problems 5-11, 5-14, 5-19

9/5/2026 (Saturday)

Module 4

Making Capital Investment Decisions

Module Objectives:

Building on Module 3, this module covers how to calculate incremental cash flows for a specific project, including the treatment of sunk costs, opportunity costs, side effects, and adjustments for inflation and project life.

Participant's Preparations:

Before class, read Chapter 6 — Ross, Westerfield, Jaffe, and Jordan.

Participant's Materials:

Corporate Finance — Ross, Westerfield, Jaffe, and Jordan

Participant's After-Class Assignment:

Problems 6-13, 6-15, 6-23

Virtual*

Module 5

Efficient Markets

Module Objectives:

This module examines how efficiently capital markets incorporate information into prices. We show that in an efficient market, managers cannot create value by timing securities issuance or by fooling investors. We also discuss behavioral challenges to the efficient market hypothesis.

Participant's Preparations:

Before watching the video, read Chapter 14 — Ross, Westerfield, Jaffe, and Jordan.

Participant's Materials:

Corporate Finance — Ross, Westerfield, Jaffe, and Jordan

Participant's After-Class Assignment:

None

9/12/2026 (Saturday)

Module 6

Lockheed Tri Star Case

Module Objectives:

The objective of this module is to apply NPV concepts to a real-world capital investment decision. The Lockheed Tri Star case illustrates the difference between accounting break-even and economic break-even, and the consequences of pursuing a value-destroying project.

Participant's Preparations:

Case write-up is NOT required—the analysis will be completed in class.

Review the four discussion questions listed in the Case Discussion Questions section.

Case (291-031-PDF-ENG) is available in Canvas.

Participant's Materials:

Corporate Finance — Ross, Westerfield, Jaffe, and Jordan Case 291-031-PDF-ENG (Canvas)

Participant's After-Class Assignment:

None

9/12/2026 (Saturday)**Module 7****Interest Rates and Bond Valuation****Module Objectives:**

Using the present value tools from Module 2, this module prices fixed-income securities including Treasury Bills, Treasury Notes and Bonds, and corporate debentures. Topics include yield to maturity, duration, and the relationship between interest rates and bond prices.

Participant's Preparations:

Before class, read Chapter 8 — Ross, Westerfield, Jaffe, and Jordan.

Participant's Materials:

Corporate Finance — Ross, Westerfield, Jaffe, and Jordan

Participant's After-Class Assignment:

Problems 8-29, 8-31

10/10/2026 (Saturday)**Module 8****Mid-Term Exam****Module Objectives:**

Assessment of participant understanding of Modules 1–7. The exam is take-home, open-book, and open-notes, covering Chapters 1, 4, 5, and 6.

Participant's Preparations:

Work through homework problems and past exam questions without referring to solutions first. Group study is encouraged. Submission is via Canvas by the due date.

Participant's Materials:

Corporate Finance — Ross, Westerfield, Jaffe, and Jordan Case Packet

Participant's After-Class Assignment:

Mid-term due: October 31, 2026, via Canvas

10/10/2026 (Saturday)**Module 9****Target Corporation Case****Module Objectives:**

The objective of this module is to apply capital budgeting techniques to a real-world corporate investment decision. The Target case examines how a large retailer evaluates capital project requests (CPRs) and makes strategic resource allocation decisions.

Participant's Preparations:

Written group analysis is due at the beginning of class and uploaded to Canvas.
Review the discussion questions listed in the Case Discussion Questions section.
Case (UV1057-PDF-ENG) is available in Canvas.

Participant's Materials:

Corporate Finance — Ross, Westerfield, Jaffe, and Jordan Target Corporation Case UV1057-PDF-ENG (Canvas)

Participant's After-Class Assignment:

None

10/10/2026 (Saturday)**Module 10****Stock Valuation****Module Objectives:**

This module values common equity using dividend discount models and free cash flow approaches. We examine three scenarios—zero growth, constant growth, and differential growth—and conclude by analyzing the relationship between growth opportunities and stock prices.

Participant's Preparations:

Before class, read Chapter 9 — Ross, Westerfield, Jaffe, and Jordan.

Participant's Materials:

Corporate Finance — Ross, Westerfield, Jaffe, and Jordan

Participant's After-Class Assignment:

Problems 9-24, 9-27, 9-31

10/31/2026 (Saturday)**Module 11 –
12****Risk and Return****Module Objectives:**

This module introduces risk and uncertainty into financial analysis. We specify probability distributions of returns, introduce measures of individual security risk and portfolio risk, demonstrate the benefits of diversification, and derive the Capital Asset Pricing Model (CAPM) as a model linking an asset's systematic risk to its expected return.

Participant's Preparations:

Before class, read Chapters 10 and 11 — Ross, Westerfield, Jaffe, and Jordan.

Participant's Materials:

Corporate Finance — Ross, Westerfield, Jaffe, and Jordan

Participant's After-Class Assignment:

Problems 11-31, 11-35, 11-36

10/31/2026 (Saturday)**Module 13****Risk, Cost of Capital, and Valuation****Module Objectives:**

Building on the CAPM, this module presents the cost of equity and the Weighted Average Cost of Capital (WACC). We discuss how to estimate the cost of each component of the capital structure and apply WACC to firm valuation.

Participant's Preparations:

Before class, read Chapter 13 — Ross, Westerfield, Jaffe, and Jordan.

Participant’s Materials:

Corporate Finance — Ross, Westerfield, Jaffe, and Jordan

Participant’s After-Class Assignment:

Problems 13-13, 13-20, 13-21

Virtual***Module 14****Personal Finance****Module Objectives:**

This module introduces key principles of personal financial planning, including saving and investment strategies, retirement planning, and the application of corporate finance tools to individual financial decision-making.

Participant’s Preparations:

Watch the recorded video posted on Canvas.

Participant’s Materials:

PowerPoint Slides (Canvas)

Participant’s After-Class Assignment:

None

Virtual***Module 15****Marriott’s Cost of Capital Case****Module Objectives:**

This module applies the concept of divisional cost of capital to Marriott Corporation. Participants will estimate the WACC for Marriott’s three business divisions—lodging, restaurants, and contract services—and evaluate how using a single firm-wide hurdle rate distorts investment decisions.

Participant’s Preparations:

Written analysis is NOT required—complete in the virtual format.

Watch the recorded video posted on Canvas.

Review the discussion questions in the Case Discussion Questions section.

Case (298101-PDF-ENG) is available in Canvas.

Participant’s Materials:

Corporate Finance — Ross, Westerfield, Jaffe, and Jordan Case 298101-PDF-ENG (Canvas)

Participant’s After-Class Assignment:

None

11/13/2026 (Friday)**Module 16****Economic Value Added and Market Value Added****Module Objectives:**

The concepts of Economic Value Added (EVA) and Market Value Added (MVA) are introduced as performance metrics that link accounting data to shareholder value creation. We compare EVA-based compensation incentives to traditional accounting metrics.

Participant's Preparations:

Read the EVA and MVA course notes posted on Canvas.

Participant's Materials:

Corporate Finance — Ross, Westerfield, Jaffe, and Jordan Course Notes (Canvas)

Participant's After-Class Assignment:

None

11/13/2026 (Friday)**Module 17****Buffett's Bid for Media General's Newspapers****Module Objectives:**

This module applies discounted cash flow valuation to evaluate Warren Buffett's acquisition bid for Media General's newspaper division. Participants will assess whether the asking price is justified given the cash flow forecasts and the assumptions underlying them.

Participant's Preparations:

Written group analysis is due at the beginning of class—hard copy.
Review the discussion questions in the Case Discussion Questions section.
Case (213142-PDF-ENG) is available in Canvas.

Participant's Materials:

Corporate Finance — Ross, Westerfield, Jaffe, and Jordan Case 213142-PDF-ENG (Canvas)

Participant's After-Class Assignment:

None

11/13/2026 (Friday)**Module 18****Final Exam****Module Objectives:**

Assessment of participant understanding of all post-mid-term material. The exam is take-home, open-book, and open-notes, covering Chapters 8, 9, 10, 11, 13, and 14.

Participant's Preparations:

Work through homework problems from all post-mid-term chapters. Focus on integration across topics.
Submission is via Canvas by the due date.

Participant's Materials:

Corporate Finance — Ross, Westerfield, Jaffe, and Jordan Case Packet

Participant's After-Class Assignment:

Final exam due: December 8, 2026, by 11:59 p.m. via Canvas