

## Finance Summer Associate Academy

---

### **COURSE DESCRIPTION**

Welcome to the Finance Summer Associate Academy online course. This is an online certificate program for summer associates, practicing attorneys, and other non-financial professionals that focuses on how to apply financial information analysis and corporate valuation in a variety of corporate settings and throughout the legal practice.

### **LEARNING OUTCOMES**

Through a series of recorded presentations, reading assignments, and interactive assignments, this course will:

- introduces a practical framework for financial information analysis;
- provides an understanding of the key drivers of corporate value creation;
- teaches key valuation models and techniques;
- provides tools for analyzing and interpreting corporate financial statements;
- develops an understanding of event study litigation — a central economic tool in litigation;
- teaches the theory and practice of financial derivatives; and
- discusses some of the ethical concerns faced by lawyers in these areas.

### **FORMAT OF CLASS**

This class combines lectures, exercises, and in-person discussions -- delivered online. This class is largely asynchronous, which means that you are not required to participate at the same time and place as other students in the class. Then, there are background reading materials to provide richer detail on what you will hear in the lecture. For some of the modules, the lectures incorporate detailed worked examples that allow you to apply what you're learning to real-life challenges. Students are encouraged to complete the online tasks according to the suggested weekly schedule. You choose what time of day you are "in class." We recommend setting a daily "class/study time" that fits your schedule and to adhere to it during the course. Students should set aside around 5 hours each week for this course.

During the course, we also offer occasional office hours with instructors to provide opportunities for "live" discussion with them and your classmates that occur at scheduled times.

## **CERTIFICATE ELIGIBILITY**

The class awards a certificate to students who complete all the requirements of the course.

Students must (i) watch all the video lectures, (ii) work through any accompanying exercises, and (iii) read the supplementary materials (except for those marked "optional"). The assessments are meant to be taken in the order in which they are provided on the course platform ("bCourses") and after the students have watched the associated lecture.

The course is designed to be completed within six weeks as reflected in this syllabus. If the student does not complete the course within such time, they will be unable to access the platform and will no longer be eligible for the certificate.

## **INSTRUCTOR OFFICE HOURS AND COMMUNICATION**

As noted above, office hours will be held occasionally during the course.

The office hours are designed to be similar to the experience you would have if you were a student on campus. You can attend (via Zoom) and ask questions you may have about the course, the materials, or the lectures. However, to be respectful of our instructors' time, we will send a weekly reminder of office hours and request students who will be attending to respond by 6 pm the evening prior to the scheduled office hour. If there are no signups, the instructor will not logon.

The class will be notified if the office hours are rescheduled. Communication with the entire class about important course information will be done using bCourses announcements.

## **SPECIAL NEEDS/ACCOMMODATIONS**

If you need disability-related accommodations in this class, please contact us.

## **ACADEMIC INTEGRITY**

The academic rules of Berkeley Law contain an Honor Code. You can read that code here: <https://www.law.berkeley.edu/academics/registrar/academic-rules/academic-honor-code/>. We expect all of our students to adhere to this code scrupulously. If you have any question whether your conduct may violate the code, please contact us in writing before you act. You may face severe consequences, including removal from this program, if you violate the code.

## **PLAGIARISM**

Although we do not anticipate any written product to be submitted during this course, should any be provided, you must properly cite the words and ideas of others. A common and serious form of misconduct is plagiarism. You must cite the sources of any words or ideas that are not your own. Cite all sources — hard copy, web-based, and others — in proper academic format.

**FINANCE SUMMER ASSOCIATE ACADEMY COURSE PLAN**  
**OVERVIEW**

<b><u>Week One: Introduction to Corporate Finance</u></b>	
Overview	Professor of Law Adam Badawi and Silicon Valley CFO Apurva Desai introduce the fundamental concepts of corporate finance.
Topics	<ul style="list-style-type: none"> <li>• Income statements and balance sheets</li> <li>• Corporate strategy</li> <li>• EBITDA</li> <li>• Tax and accounting rules</li> <li>• Net present value</li> </ul>
Readings	<ul style="list-style-type: none"> <li>• Henry Dauderis &amp; David Annand, <i>Introduction to Financial Accounting</i>, ch. 1 (2017).</li> <li>• Panos Patatoukas, <i>Primer on the Time Value of Money</i> (Berkeley-Haas Business School).</li> <li>• <a href="#"><i>Beginners' Guide to Financial Statement</i></a>, SEC.gov (2007)</li> </ul>
<b><u>Week Two: Tools for Valuing Companies</u></b>	
Overview	Law and finance Professor Ken Ayotte walks through two of the most common strategies used in finance, discounted cash flow and multiples.
Topics	<ul style="list-style-type: none"> <li>• Overview of corporate valuation</li> <li>• Discounted Cash Flow (DCF)               <ul style="list-style-type: none"> <li>• Free cash flow</li> <li>• Weighted average cost of capital (WACC)</li> </ul> </li> <li>• Multiples               <ul style="list-style-type: none"> <li>• Summary</li> <li>• When do multiples work?</li> </ul> </li> <li>• Comparison of DCF and multiples</li> </ul>

Reading	<ul style="list-style-type: none"> <li>• Kenneth Ayotte and Edward Morrison, <i>Valuation Disputes in Corporate Bankruptcy</i>, 166 U. Penn. L. Rev. 1819 (2018).</li> </ul>
<b><u>Week Three: M&amp;A Financing</u></b>	
Overview	From leveraged buyouts to fairness opinions, M&A transactions involve complex financial structures and assessments. Professor Cathy Hwang walks through the essential features of modern M&A financing.
Topics	<i>Forthcoming.</i>
Readings	<i>Forthcoming.</i>
<b><u>Week Four: Raising Capital – Anti-Dilution Protections</u></b>	
Overview	Venture capital investment requires careful lawyering to balance the control and economic interests of founders and investors. In this module, I. Michael Heyman Professor of Law Robert Bartlett explains and demonstrates a key feature of venture capital term sheets: anti-dilution provisions.
Topics	<ul style="list-style-type: none"> <li>• Pricing a venture capital financing</li> <li>• Concepts of dilution: voting and economic</li> <li>• Protecting against economic dilution</li> <li>• Contract terms</li> </ul>

Readings	<ul style="list-style-type: none"> <li>• Robert P. Bartlett, III, <i>Understanding Price-Based Antidilution Protection: Five Principles to Apply When Negotiating Down-Round Financing</i>, 59 Bus. Lawyer 23 (2002).</li> </ul>
<b><u>Week Five (I): Financial Derivatives</u></b>	
Overview	Frank Partnoy, Adrian A. Kragen Professor of Law at UC Berkeley, dives under the hood of derivative financial products, which have become central features of modern finance.
Topics	<ul style="list-style-type: none"> <li>• Overview of derivatives</li> <li>• Options</li> <li>• Swaps</li> <li>• Forwards</li> <li>• Regulation</li> <li>• Future challenges</li> </ul>
Reading	<ul style="list-style-type: none"> <li>• Frank Partnoy and David Skeel, <i>The Promise and Perils of Credit Derivatives</i>, 75 U. CINN. L. REV. 1019 (2007).</li> <li>• <i>Optional</i>: Frank Partnoy, <i>Infectious Greed: How Deceit and Risk Corrupted the Financial Markets</i> (2009).</li> </ul>
<b><u>Week Five (II): Event Studies in Litigation</u></b>	
Overview	BCLB Senior Fellow and former finance professor Matt Cain walks through an “event study”, commonly deployed by econometric experts in litigation. Learn the fundamentals of this important tool: what it means, and how to unpack it.
Readings	<ul style="list-style-type: none"> <li>• Sanjai Baghat and Roberta Romano, <i>Event Studies and the Law: Part I: Technique and Corporate Litigation</i>, 4 Am. L. Econ Rev. 141 (2002).</li> <li>• Sanjai Baghat and Roberta Romano, <i>Event Studies and the Law: Part II: Empirical Studies of Corporate Law</i>, 4 Am. L. Econ. Rev. 380 (2002).</li> </ul>

### **Week Six (I): Ethics in Financial Lawyering**

Overview	What is the role of attorneys in financial transactions? What unique challenges do lawyers face in this world? Award-winning financial journalist Diana Henriques, the author of Bernie Madoff exposé <i>The Wizard of Lies</i> , speaks with BCLB's Executive Director Adam Sterling about ethical lawyering in finance.
Readings	<ul style="list-style-type: none"><li>• <i>Optional:</i> Diana B. Henriques, <i>The Wizard of Lies: Bernie Madoff and the Death of Trust</i> (2017) [<a href="#">link</a>]</li></ul>

### **Week Six (II): Practical Skills – Excel 101**

Overview	In any area of finance, lawyers need to handle large amounts of complex financial information. Familiarity with spreadsheet software is an essential skill in any finance lawyer's arsenal. BCLB's Research Fellow James Hicks walks you through a series of structured examples to build your confidence with Microsoft Excel.
Topics	<ul style="list-style-type: none"><li>• Working with spreadsheets</li><li>• Using numbers and dates in Excel</li><li>• Cell references and useful formulae for finance</li><li>• The goal seek and data table functions</li><li>• Developing a net present value example</li></ul>