

### **General Comments**

Cases are assigned in order to familiarize students with the challenge of applying financial theory and decision analysis in the real world, as well as the complexities encountered in selecting, processing, and interpreting relevant information and making decisions in situations of conflicting priorities.

You are expected to assume the role of the main decision maker who has a vital interest in solving the problem at hand. Remember that financial decision making does not take place in a vacuum. Be always mindful of the impact of considerations relating to marketing, human resources, production, business strategy, and the overall environment of the firm.

Cases do not have necessarily "a correct" answer. Decisions can vary because of different assumptions, perspectives, or priorities decision makers bring into their decision making framework. What is of paramount importance however, is that the analysis and recommendations are consistent with the assumptions, perspectives and objectives of the overall analysis. It is also critical that the decision maker's premises and objectives are consistent with rational financial behavior. Try not to stray too much from the basic facts of the case or ignore or change basic data so as to fit your premises.

### **Preparing for Case Analysis**

It is your responsibility to search and study other materials that will help you to better analyze the case. Although each case you analyze will be preceded by some discussion of theory and analysis by the instructor, time does not permit coverage of all relevant topics; besides, this would be outside the scope of this course which is application oriented and based on case discussion. In the real world managers often need to solve problems over which they have little or no prior formal knowledge. As it applies in their case, so it does in yours that it is you who bear ultimate responsibility for adequate case analysis. Therefore, you need to consult corporate finance textbooks, as well as the assigned readings and other sources to ensure successful analysis. My Teaching Notes have only the purpose to complement information from textbooks not to be a substitute for them. You may seek my advice to clarify something or to find what you need to study or know for a particular case. You may also bounce off some ideas you have about the case.

### **Case analysis report format**

Your case analysis report should include the following parts:

**1. Statement of the main problem and/or decision.** Briefly describe the essence of the financial problem and the main decision that must be evaluated. In other words, define the objective in analyzing the case. To do this, ask such questions: "What is really this case all about?" "What is the main problem I am supposed to analyze and solve?" Also identify, if present, any secondary decisions.

**2. Analysis.** Part I: Describe the conceptual, analytical and computational steps you need to execute in your effort to analyze the case. **This is the blueprint of your analysis.** Part II:

Execute your analysis and computations to address each one of the issues. Be careful to consider the evaluation of alternative options or possibilities, i.e., consider alternative scenarios.

**3. The decision and recommendations.** This section should state clearly your recommendations along with advice for implementation if needed.

**4. Appendix of Tables and Exhibits.** Display data and computational work and results in exhibits appended at the end of your report. These should be clearly titled and give enough explanations so that the reader can understand their content. Indicate and mark clearly in the text any references to the tables, exhibits, etc. (for example: "projected cash flows are shown in Table 1").

**5. Length.** Each case report should have **no more than three pages of text.** Tables, exhibits and other supporting material should be appended to the report. Please edit your text carefully for language, and follow a professional style in presenting your analysis.

**6. Style.** Use a narrative form in your analysis. Bullets should be used only to list items, not to describe thoughts. Be reader-friendly.

**HELP.** If you need to ask questions about the case, please utilize the office hours,, or e-mail me at [FINGJP@HOFSTRA.EDU](mailto:FINGJP@HOFSTRA.EDU), or call me at the office--463-5141