

Unit 1 Final Project Overview:



The Final Project is due at the end of Unit 5.

Overview

The purpose of the Final Project Research Paper is to examine capital-structure theory, issues, and debates, while showing how capital-structure choices affect a firm's return on investment (ROI) and its risk profile.

Directions

Your Assignment is to select a publicly-held company and to analyze its capital structure, applying the theories and principles found in Chapter 15 of the text.

The structure of your research paper should include:

- A preview of capital structure issues
- Business and financial risks related to capital structure
- Modigliani and Miller's [MM] capital-structure theory
- Criticisms of the MM model and assumptions
- Capital structure evidence and implications
- Estimating the firm's optimal capital structure

A firm's optimal capital-structure is that mix of debt and equity that maximizes the stock price. At any point in time, management has a specific target capital structure in mind, presumably the optimal one, though this target may change over time. For example, financial management may choose a 50% equity financing [stock] and 50% debt [bond] financing.

Several factors influence a firms' capital structure, including:

- Business risk
- Tax position
- The need for financial flexibility
- Managerial conservativeness
- Growth opportunities

Business risk is the riskiness inherent in the firm's operations if it uses no debt.

This report is intended to be a capital structure analysis of your selected public company. Your paper is intended to be an executive summary of your analysis, and is limited to a minimum of 5 - 7 pages of text, excluding the title page, table of contents, graphs, charts, tables, etc.

This summary report of your selected company's capital structure should convey the quality, depth, and completeness of your capital structure analysis, without going into excessive detail.

Please note that there is no Assignment due for this project in Unit 1. The first deliverable for the Final Project is due at the end of Unit 3.

APA Style Required

The report should adhere to APA format. A minimum of 4 reference sources are required in addition to the text.

Directions for Submitting the Final Project

Compose your research paper in a MS Word document and save it as Username-GB550 Final Project-Unit#.doc (Example: **TAllen- GB550 Final Project-Unit 5.doc**). Submit your file by selecting the Unit 5: Final Project Dropbox by the end of Unit 5.

Unit 3: Final Project Assignment

There are three parts that are due in this unit towards the final research paper that is due in unit 5:

Part I - The Abstract

Part II - Table of Contents

Part III - Preliminary reference list

Part I - The Abstract

Research papers, theses and dissertations include an abstract—a short, concise summary of your research. Your abstract should approximate 200 words.

The abstract should briefly:

- Establish the topic of the research
- Articulate the research problem, question, and/or purpose/objective of the research
- Indicate the methodology used
- Present the expected findings
- Present the anticipated conclusions

The abstract should include, if possible, the keywords of your research. An abstract generally emphasizes the main findings and conclusions of the research study.

Part II - Table of Contents

Submit a brief one page table of contents, outlining the proposed structure, organization, and logic of your graduate research paper.

Part III - Preliminary reference list

Submit your preliminary reference list, detailing your anticipated reference sources. A minimum of four references are required, excluding the textbook. Sources should be from academic, scholarly, refereed journals. Use of Internet-retrieved and cited sources should be minimized. Wikipedia, dictionaries, encyclopedias or any open source Web sites are not permitted.

Schedule of Deliverables

Unit 1: Review Final Project and start working on Part I, Part II, and Part III (Nothing to submit)

Unit 2: Continue working on Part I, Part II, and Part III (Nothing to submit)

Unit 3: Complete and submit Part I, Part II, and Part III

Unit 4: Work on the draft of you Final Project (Nothing to submit)

Unit 5: Complete and submit the Final Project