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Corporate Finance in a Nutshell (2021)

Jeffrey J. Haas

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CORPORATE FINANCE IN A NUTSHELL®

FOURTH EDITION

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 **WEST
ACADEMIC
PUBLISHING**

*To my children, Samantha and Peter,
who inspire me every day!*

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PREFACE

This book is designed for those interested in learning the fundamentals of corporate finance from both a business and legal point of view. In particular, it is targeted towards lawyers without a finance background who find themselves engaged in transactional work. It is also designed to assist law students who are taking a corporate finance, business organizations or related course.

Corporate finance is unique in that it is an amalgam of substantive disciplines. Those with even a tangential familiarity with it are likely aware of the crucial role that mathematics and accounting play. Indeed, it is the math and accounting aspects of a corporate finance course that frequently frighten law students away from taking it. Accordingly, Part 1 makes a serious attempt to explain these concepts in a straight-forward, plain English manner.

Corporate finance, however, is much more than math and accounting, as Parts 2 and 3 make clear. Under the umbrella of corporate finance falls a whole host of other disciplines. Especially important is the subject of economics, particularly macroeconomics. Changes in fiscal and monetary policy at the national level directly impact economic growth and the interest rate environment, while indirectly affecting corporate growth and earnings. Corporations attempt to navigate the economic landscape and the concomitant risk it carries by engaging in various

risk reduction strategies, especially through the use of derivative instruments.

The law also plays a large role in corporate finance. Securities laws, both Federal and state, regulate, influence and guide companies raising capital through the sale of their common stock, preferred stock and debt securities. Corporate law, particularly Delaware corporate law, also affects the ability of companies to raise capital due to its strong influence on internal corporate governance and control.

While this book is entitled *Corporate Finance*, much of what it contains applies to business entities other than corporations. All businesses, regardless of their form, need capital to survive and grow. While the capital structure of these other entities may differ from that of the corporation, the ways in which they pursue and, ultimately, raise capital are similar.

For an expanded version of this book in a fully footnoted format, see *CORPORATE FINANCE, 2ND EDITION (HORNBOOK SERIES)*, ISBN 978-1-68467-581-4.

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I would like to thank the wonderful folks at West Academic Publishing, especially Louis Higgins, for their constant support and encouragement over the past 12 years.

Second Edition (2011)

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