



Principles of Corporate Finance

14th Edition

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Brealey: *Principles of Corporate Finance, 14e*, describes the theory and practice of corporate finance. We hardly need to explain why financial managers have to master the practical aspects of their job, but we should spell out why down-to-earth managers need to bother with theory. Throughout the text, we show how managers use financial theory to solve practical problems. Much of this book is concerned with understanding what financial managers do and why, but we also say what financial managers should do to increase company value.

With this edition, the most significant change is the addition of new co-author Alex Edmans, Professor of Finance at London Business School and Mercers School Memorial Professor of Business at Gresham College. Poets & Quants named him MBA Professor of the Year for 2021.

Features

New Features

Integrated Excel: A live seamless experience – The power of Microsoft Excel meets the power of McGraw Hill Connect in our all-new integration of Excel in Connect. Excel now opens seamlessly inside Connect with no need for uploading or downloading any additional files or software. Instructors choose their auto-grading solution, either grading for formula accuracy or for the solution value.

Application Based Activities – These highly interactive, automatically graded exercises in Connect provide students a safe space to practice using problem-solving skills to apply their knowledge to realistic scenarios. Each scenario addresses key concepts and skills that students must use to work through and solve course-specific problems, resulting in improved critical thinking and relevant workplace skills.

Connect Kaplan CFA Questions – McGraw Hill has partnered with Kaplan Schweser to provide hundreds of additional sample CFA questions for the CFA exams. These questions represent the kinds of questions that professionals in the field believe are relevant to the "real world." Located in Connect, this bank of assignable questions is sorted by topic and level.

Finance Prep Course – Prep Courses in Connect cover the basic concepts in Math, Statistics, Accounting, Excel, and Economics and are comprised of animated tutorial modules with quiz questions. NEW to the list is CALCULATOR. Instructors can assign as homework or include for optional practice. Prep Courses provide a level playing field, give instructors more time in class to cover personal finance topics, and ensure that students are not left behind.

New and Updated End-of-Chapter Problems – Reviewed, updated, and introduced new end-of-chapter material in each chapter to support new topics and learning objectives.

Remote Proctoring & Browser-Locking Capabilities – New remote proctoring and browser-locking capabilities, hosted by Proctorio within Connect, provide control of the assessment environment by enabling security options and verifying the identity of the student. Seamlessly integrated within Connect, these services allow instructors to control students' assessment experience by restricting browser activity, recording students' activity, and verifying students are doing their own work. Instant and detailed reporting gives instructors an at-a-glance view of potential academic integrity concerns, thereby avoiding personal bias and supporting evidence-based claims.

Online Learning Consortium (OLC) provides an even higher level of expertise and support when transitioning your course.

Retained Features

SmartBook 2.0 – Our adaptive reading experience in Connect is now more personal, more accessible, more productive, and mobile.

Finance in Practice Boxes – Relevant news articles, often from financial publications, appear in various chapters throughout the text. Aimed at bringing real-world flavor into the classroom, these boxes provide insight into the business world today.

Self-Test Questions – Each chapter includes a number of self-test questions that allow students to check their understanding. Answers to these questions are given at the end of the chapter.

Finance on the Web – These web exercises give students the opportunity to explore financial websites on their own. The web exercises make it easy to include current, real-world data in the classroom.

Mini-cases are included in select chapters so students can apply their knowledge to real-world scenarios.

Content

Part One: Value

Chapter 1: Introduction to Corporate Finance
Chapter 2: How to Calculate Present Values
Chapter 3: Valuing Bonds
Chapter 4: Valuing Stocks
Chapter 5: Net Present Value and Other Investment Criteria
Chapter 6: Making Investment Decisions with the Net Present Value Rule

Part Two: Risk

Chapter 7: Introduction to Risk, Diversification, and Portfolio Selection
Chapter 8: The Capital Asset Pricing Model
Chapter 9: Risk and the Cost of Capital

Part Three: Best Practices in Capital Budgeting

Chapter 10: Project Analysis
Chapter 11: How to Ensure That Projects Truly Have Positive NPVs

Part Four: Financing Decisions and Market Efficiency

Chapter 12: Efficient Markets and Behavioral Finance
Chapter 13: An Overview of Corporate Financing
Chapter 14: How Corporations Issue Securities

Part Five: Payout Policy and Capital Structure

Chapter 15: Payout Policy
Chapter 16: Does Debt Policy Matter?
Chapter 17: How Much Should a Corporation Borrow?
Chapter 18: Financing and Valuation

Part Six: Corporate Objectives and Governance

Chapter 19: Agency Problems and Corporate Governance
Chapter 20: Stakeholder Capitalism and Responsible Business

Part Seven: Options

Chapter 21: Understanding Options
Chapter 22: Valuing Options
Chapter 23: Real Options

Part Eight: Debt Financing

Chapter 24: Credit Risk and the Value of Corporate Debt
Chapter 25: The Many Different Kinds of Debt
Chapter 26: Leasing

Part Nine: Risk Management

Chapter 27: Managing Risk
Chapter 28: International Financial Management

Part Ten: Financial Planning and Working Capital Management

Chapter 29: Financial Analysis
Chapter 30: Financial Planning
Chapter 31: Working Capital Management

Part Eleven: Mergers, Corporate Control, and Governance

Chapter 32: Mergers
Chapter 33: Corporate Restructuring

Part Twelve: Conclusion

Chapter 34: Conclusion: What We Do and Do Not Know about Finance

Take Students Higher

McGraw Hill supports you in moving students from foundational cognitive skills to higher-order thinking and application with a variety of digital content and assignable assets. Within Connect, each asset's alignment to the levels of Bloom's Taxonomy is identified so you can easily assign and receive reporting on student progress. The chart below outlines the asset type and how it aligns to Bloom's Taxonomy.

LOWER  HIGHER

ASSET	DESCRIPTION	REMEMBER	UNDERSTAND	APPLY	ANALYZE	EVALUATE	CREATE
SmartBook® 2.0	SmartBook 2.0 adaptively aids students to study more efficiently by highlighting where in the chapter to focus, asking review questions, and pointing them to resources until they understand.	■	■				
Guided Examples	These videos provide narrated and animated, step-by-step walkthroughs of algorithmic versions of assigned problems, providing immediate feedback, and focus on the areas where students need the most guidance.	■	■	■			
Corporate Finance Video Series	Assignable, animated videos with 3 accompanying questions help students understand the key learning objectives. These dynamic videos are between 2-5 minutes in length are especially helpful to keep students engaged and those who would like additional review outside of the text.	■	■	■			
Finance Prep Courses	Prep Courses cover the basic concepts in Math, Statistics, Accounting, Excel, Calculators, and Economics and are comprised of animated tutorial modules with quiz questions. Instructors can assign as homework or include for optional practice. Prep Courses provide a level playing field, give instructors more time in class to cover finance topics, and ensure that students do not get left behind.	■	■	■	■		
Excel Simulations	Assignable within Connect Finance, these simulations allow students to practice their Excel skills, including financial formulas and functions. The questions feature animated, narrated Help and Show Me tutorials (when enabled) and automatic feedback and grading for students and professors.	■	■	■	■		
End-of-Chapter Problems	Our assignable, gradable end-of-chapter content helps students learn to solve problems and apply the concepts in finance. Algorithmic versions allow students to practice problems as many times as they need to ensure that they fully understand each problem.	■	■	■	■	■	
Interactive Data Problems	Interactive Data Problems allow students to visualize and interact with data in different ways. Students use this tool to manipulate data and answer a variety of accompanying problems that test multiple levels of understanding.	■	■	■	■	■	
NEW! Kaplan CFA Questions	McGraw Hill has partnered with Kaplan Schweser to provide sample CFA questions for the CFA exams. These questions represent the kinds of questions that professionals in the field believe are relevant to the "real world." Located in Connect, this bank of assignable questions is sorted by topic and level.	■	■	■	■	■	
NEW! Integrated Excel	Integrated Excel assignments pair the power of Microsoft Excel with the power of Connect. A seamless integration of Excel within Connect, Integrated Excel questions allow students to work in live, auto-graded Excel spreadsheets.	■	■	■	■	■	
NEW! Application Based Activities	These highly interactive, automatically graded exercises provide students a safe space to practice using problem-solving skills to apply their knowledge to realistic scenarios. Each scenario addresses key concepts and skills that students must use to work through and solve course specific problems, resulting in improved critical thinking and relevant workplace skills.	■	■	■	■	■	