

金融案例研究 为公司的价值创造而管理（第6版）

Case Studies in Finance
Managing for Corporate Value Creation (Sixth Edition)

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出版说明

为了适应经济全球化的发展趋势，满足国内广大读者了解、学习和借鉴国外先进经济管理理论和管理经验的需要，清华大学出版社与国外著名出版公司 McGraw-hill 教育出版集团合作影印出版了一系列商科英文版教材。鉴于大部分外版教材篇幅过长，且其中部分内容与我国的教学需要不符，我们请专家学者结合国内教学的实际要求，对所选图书进行了必要的删节。我们所选择的图书，基本上是在国外深受欢迎，并被广泛采用的优秀教材的缩减版，其主教材均是该领域中较具权威性的经典之作。

为有效控制定价以便减轻学生购买教材的负担，本书删去了原书案例中的第 12、16、22、23、24、25、30、36、40、49 部分，为方便读者阅读，本书采取双页码方式编排。

由于作者所处国家的政治、经济和文化背景等与我国不同，对书中所持观点，敬请广大读者在阅读过程中注意加以分析和鉴别。

我们期望这套影印书的出版对我国经济管理科学的发展能有所帮助，对我国商科的教学，尤其是商学本科的教学能有所促进。

欢迎广大读者给我们提出宝贵的意见和建议；同时也欢迎有关专业人士向我们推荐您所接触到的国外优秀图书。

清华大学出版社

引言

中国的学生要不要使用英文版的教材，一直有争议。有人认为，我们应该使用自己编写的教材，这样才能更准确地反映我们在课堂上所要表达的观点。用国外的原版教材，有些隔靴搔痒，不能解决中国的实际问题。持不同意见的观点认为，尽管各国在管理体制上有意识、制度、文化等差异，但管理本身是在国际环境下具有共同性的问题。特别是，中国的企业在经济全球化的环境下，需要更多地了解国外的管理理论与现状。在这种情况下，就需要引进一些外版的教材。一则，用于满足我们教学的部分需求；二则，更好地了解外版教材的教学服务体系；三则，为我们的师生创造英语教学的环境。

在进行 2004 年本科教指委的工作规划时，我曾特别谈及，要加强对本科教育中教书“育人”、服务于学生的使命的认识，继续优化专业课程设计，扩大精品课程建设，增加专业导向课程，尤其要加强对国际商科与经济管理学科教学进展的研究，并引进最新的教学成果，包括教材及教学资源。这一切都是为了更好地为国家与社会培养更好的人才。

为此，清华大学出版社与美国麦格劳-希尔教育出版公司的合作，引进出版这套“精编版”的英文工商管理教材，也是体现这一理念。这套教材吸收国际最新教学成果，提供全方位的教学资源，并借助英语的语言媒介，将会大力提升与发展中国工商管理教学水平，提高学生使用英语语言和网络手段获得长久的终生学习的能力和兴趣，进而提高我国工商界的国际竞争力。这是一件具有重大意义的工作。

讲到美国麦格劳-希尔教育出版公司，就要提到该公司的中国首席代表姜峰先生。我同他认识已经多年了。1995 年，他供职西蒙与舒斯特公司北京代表处。从那时起，他便开始来学校拜访，打破我们出版社坐等教师上门的惯例。他这种服务教学的理念就是直接同我们的教师见面，为教

师提供教学资源，从早期的印刷版图书到磁盘、光盘，到在线资源、在线系统。这些年，姜峰先生尽管已经换到目前的公司工作，但他始终坚持着这一服务教学的理念，认真实践着他的教育出版观。

在同姜峰先生讨论引进国际上在工商管理教学的最新成果时，基本上确定了引进本套教材及教学资源的基本格调，即对“国际最新教学成果”的几个共同认识：一是国际上教学技术的进展究竟走到了哪一步，我们就引进到哪一步。二是要注意教学技术的发展给教学及教材带来了的影响，我们要借鉴新的教学辅助手段。

最近几年，我在美国授课的过程中，注意到教学网络技术：CMS，课程管理系统。通过这个教学辅助系统，教师可以将所要讲授的课程内容简单地张贴到一个系统化的网页上，包括教学演示文件 PPT、章节提要（Lecture Notes）、在线阅读资料，以及问答题、简答题还有课后大作业等，还可以很简单地开设自己课程的在线论坛 BBS。学生在注册后，便成为在线学生，通过该平台与教师交互，完成习题、在线提交作业，在线考试，自动出评测分析报告。这一切是以教师为中心，完全解决了教师对于自己教学内容、以及对学生及教学过程的网络化数字化管理的问题，并可多次复用、异地复用。这个在线学习系统（BlackBoard，WebCT，eCollege）等不同于国内各高校自己研发的以学籍管理或居于录像、课件的远程教学为中心的校园管理平台，直接解决大学的核心问题：即“大师”们对课程教学内容的管理问题，成为对教师授课最好的在线数字化辅助支持平台。

2003 年 12 月底，从姜峰先生处得知 BlackBoard 在中国落地，便通过他与赛尔毕博公司接触，很快决定在中国人民大学商学院引进该平台支持教学。2004 年的春季学期，我商学院 247 位教师，所有 364 门课程全面上线，2000 多名学生在线注册学习，引发了人大商学院一场真正意义上的“教学革命”。教师与学生实现了很好地沟通与互动，学生之间也有了很好地学习谈论的天地。目前，我商学院的经验，已经成为赛尔毕博支持国内院校教学上线发展的典范，成为 BlackBoard 在国内的示范教学网站。

课堂教学同网络平台结合之后，又给教学带来了新的挑战，也给教材和教材的出版商们带来了新的机遇。历史悠久的麦格劳-希尔教育出版公司积极适应这种挑战，在商科及经管教材的出版上做了战略性的调整：即将教材本身做“薄”，出版一批新型的、跨媒介的教材：将研讨性、探索性、展开式的学习内容放到网上，将动态交互性的内容放到网上；印刷版的教材从过去强调各章节内容全面，呈现教学过程、学习环节，转向到注重概念性及引导性，展现学习的核心内容。同时，他们将教材配套的教学资源做得更“全”，将更多的内容上线后全面依托网络，更加动态地呈现教学内容及教学过程；并为不同的教学平台提供完全解决方案，提供跨平台的不同版本的内容“子弹”。无论采用 BlackBoard 或 WebCT 等平台，教师们都可以从出版商处获

得标准的教学资源包，为自己采用的教材轻松搭建课程网站，实现教学的在线革命。

总之，教学在革命，教学的手段也在革命。我们要看到工商管理教学在国际上的各种变化，努力跟上时代的发展变化，使我们的学生真正获得国际水准的教育。为此，我衷心地感谢这批教材的国外作者们，正是他们不懈的教学实践，为给我们学科的发展带来源源的活力；同时感谢国内外的出版界的人们，感谢他们对教材、教材市场的永恒的追求，不断地帮助我们提升教学的水准；衷心希望这批适应新的教学需要的国际最新教材的出版能抛砖引玉，再次带动整个工商管理教育无论是本科、高职高专教学还是 MBA、EMBA 教学的发展。

子曰：“学而时习之，不亦悦乎”。在这场教学革命中，我们有更大的勇气面临新的教学的挑战，将中国的工商管理教育推向世界一流的前列！

徐二明
中国人民大学

About the Authors

Robert F. Bruner is Dean of the Darden Graduate School of Business Administration, Distinguished Professor of Business Administration and Charles C. Abbott Professor of Business Administration at the University of Virginia. He has taught and written in various areas, including corporate finance, mergers and acquisitions, investing in emerging markets, innovation, and technology transfer. In addition to *Case Studies in Finance*, his books include *Finance Interactive*, multimedia tutorial software in Finance (Irwin/McGraw-Hill 1997), *The Portable MBA* (Wiley, 2003), *Applied Mergers and Acquisitions*, (Wiley, 2004), *Deals from Hell: M&A Lessons that Rise Above the Ashes* (Wiley, 2005), and *The Panic of 1907* (Wiley, 2007). He has been recognized in the United States and Europe for his teaching and casewriting. *BusinessWeek* magazine cited him as one of the “masters of the MBA classroom.” He is the author or coauthor of over 400 case studies and notes. His research has been published in journals such as *Financial Management*, *Journal of Accounting and Economics*, *Journal of Applied Corporate Finance*, *Journal of Financial Economics*, *Journal of Financial and Quantitative Analysis*, and *Journal of Money, Credit, and Banking*. Industrial corporations, financial institutions, and government agencies have retained him for counsel and training. He has been on the faculty of the Darden School since 1982, and has been a visiting professor at various schools including Columbia, INSEAD, and IESE. Formerly he was a loan officer and investment analyst for First Chicago Corporation. He holds a the B.A. degree from Yale University and MBA and DBA degrees from Harvard University. Copies of his papers and essays may be obtained from his Web site, <http://faculty.darden.edu/brunerb/>. He may be reached via e-mail at brunerr@virginia.edu.

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Michael J. Schill is Associate Professor of Business Administration of the Darden Graduate School of Business Administration at the University of Virginia where he teaches corporate finance and investments. His research spans empirical questions in corporate finance, investments, and international finance. He is the author of numerous articles that have been published in leading finance journals such as *Journal of Business*, *Journal of Finance*, *Journal of Financial Economics*, and *Review of Financial Studies*, and cited by major media outlets such as *The Wall Street Journal*. Some of his recent research projects investigate the market pricing of firm growth and the corporate gains to foreign stock exchange listing or foreign currency borrowing. He has been on the faculty of the Darden School since 2001 and was previously with the University of California, Riverside, as well as a visiting professor at Cambridge and Melbourne. Prior to his doctoral work, he was a management consultant with Marakon Associates in Stamford and London. He continues to be active in consulting and executive education for major corporations. He received a BS degree from Brigham Young University, an MBA from INSEAD, and a PhD from University of Washington. More details are available from his Web site, <http://faculty.darden.edu/schillm/>. He may be reached via e-mail at schill@virginia.edu.

Preface

The inexplicable is all around us. So is the incomprehensible. So is the unintelligible. Interviewing Babe Ruth in 1928, I put it to him "People come and ask what's your system for hitting home runs—that so?" "Yes," said the Babe, "and all I can tell 'em is I pick a good one and sock it. I get back to the dugout and they ask me what it was I hit and I tell 'em I don't know except it looked good."*

—Carl Sandburg†

Managers are not confronted with problems that are independent of each other, but with dynamic situations that consist of complex systems of changing problems that interact with each other. I call such situations messes . . . managers do not solve problems: they manage messes.

—Russell Ackoff‡

Orientation of the Book

Practitioners tell us that much in finance is inexplicable, incomprehensible, and unintelligible. Like Babe Ruth, their explanations for their actions often amount to "I pick a good one and sock it." Fortunately for a rising generation of practitioners, tools and concepts of modern finance provide a language and approach for excellent performance. The aim of this book is to illustrate and exercise the application of these tools and concepts in a messy world.

Focus on Value

The subtitle of this book is *Managing for Corporate Value Creation*. Economics teaches us that value creation should be an enduring focus of concern because value is the foundation of survival and prosperity of the enterprise. The focus on value also helps managers understand the impact of the firm on the world around it. These cases harness and exercise this economic view of the firm. It is the special province of finance to highlight value as a legitimate concern for managers. The cases in this book exercise valuation analysis over a wide range of assets, debt, equities, and options, and a wide range of perspectives, such as investor, creditor, and manager.

Linkage to Capital Markets

An important premise of these cases is that managers should take cues from the capital markets. The cases in this volume help the student learn to look at the capital markets in four ways. First, they illustrate important players in the capital markets

*George Herman "Babe" Ruth (1895–1948) was one of the most famous players in the history of American baseball, leading the league in home runs for 10 straight seasons, setting a record of 60 home runs in one season, and hitting 714 home runs in his career. Ruth was also known as the "Sultan of Swat."

†Carl Sandburg, "Notes for Preface," in *Harvest Poems* (New York: Harcourt Brace Jovanovich, 1960), p. 11.

‡Russell Ackoff, "The Future of Operational Research is Past," *Journal of Operational Research Society*, 30, 1 (Pergamon Press, Ltd., 1979): 93–104.

such as individual exemplars like Warren Buffett and Bill Miller, and institutions like investment banks, commercial banks, rating agencies, hedge funds, merger arbitrageurs, private equity firms, lessors of industrial equipment, and so on. Second, they exercise the students' abilities to interpret capital market conditions across the economic cycle. Third, they explore the design of financial securities, and illuminate the use of exotic instruments in support of corporate policy. Finally, they help students understand the implications of transparency of the firm to investors, and the impact of news about the firm in an efficient market.

Respect for the Administrative Point of View

The real world is messy. Information is incomplete, arrives late, or is reported with error. The motivations of counterparties are ambiguous. Resources often fall short. These cases illustrate the immense practicality of finance theory in sorting out the issues facing managers, assessing alternatives, and illuminating the effects of any particular choice. A number of the cases in this book present practical ethical dilemmas or moral hazards facing managers—indeed, this edition features a chapter, “Ethics in Finance” right at the beginning, where ethics belongs. Most of the cases (and teaching plans in the associated instructor's manual) call for *action plans* rather than mere analyses or descriptions of a problem.

Contemporaneity

All of the cases in this book are set in the year 2000 or after and 35% of these cases and technical notes are new, or significantly updated. The mix of cases reflects the global business environment: 37% of the cases in this book are set outside the United States, or have strong cross-border elements. Finally, the blend of cases continues to reflect the growing role of women in managerial ranks: 33% of the cases present women as key protagonists and decision-makers. Generally, these cases reflect the increasingly diverse world of business participants.

Plan of the Book

The cases may be taught in many different combinations. The sequence indicated by the table of contents corresponds to course designs used at Darden. Each cluster of cases in the Table of Contents suggests a concept module, with a particular orientation.

- 1. Setting Some Themes.** These cases introduce basic concepts of value creation, assessment of performance against a capital market benchmark, and capital market efficiency, which reappear throughout a case course. The numerical analysis required of the student is relatively light. The synthesis of case facts into an important framework or perspective is the main challenge. The case, “Warren E. Buffett, 2005,” sets the nearly universal theme of this volume: the need to think like an investor. “Bill Miller and Value Trust” explores a basic question about performance measurement: What is the right benchmark against which to evaluate success? “Ben & Jerry's Homemade, Inc.” invites a consideration of “value” and the ways to measure it. The case entitled, “The Battle for Value, 2004: FedEx

Corp. vs. United Parcel Service, Inc.” uses “economic profit” (or EVA[®]) to explore the origins of value creation and destruction, and its competitive implications for the future.

2. **Financial Analysis and Forecasting.** In this section, students are introduced to the crucial skills of financial-statement analysis, break-even analysis, ratio analysis, and financial-statement forecasting. A new note, “The Thoughtful Forecaster,” provides a helpful introduction to financial statement analysis and student guidance on generating thoughtful financial forecasting. “Horniman Horticulture” uses a financial model to build intuition for the relevancy of corporate cash flow and the financial effects of firm growth. The case, “Krispy Kreme Doughnuts, Inc.,” confronts issues regarding the quality of reported financial results. Other cases address issues in the analysis of working-capital management, and credit analysis.
3. **Estimating the Cost of Capital.** This module begins with a discussion of “best practices” among leading firms. The cases exercise skills in estimating the cost of capital for firms and their business segments. The cases aim to exercise and solidify students’ mastery of the capital asset pricing model, the dividend-growth model, and the weighted average cost of capital formula. “Nike, Inc.: Cost of Capital” presents an introductory exercise in the estimation of the weighted average cost of capital. “Teletech Corporation, 2005” explores the implications of mean-variance analysis to business segments within a firm, and gives a useful foundation for discussing value-additivity.
4. **Capital Budgeting and Resource Allocation.** The focus of these cases is the evaluation of investment opportunities and entire capital budgets. The analytical challenges range from simple time value of money problems to setting the entire capital budget for a resource-constrained firm. Key issues in this module include the estimation of free cash flows, the comparison of various investment criteria (NPV, IRR, payback, and equivalent annuities), the treatment of issues in mutually exclusive investments, and capital budgeting under rationing. This module features several new cases. The first is “Worldwide Paper Company,” a straight-forward problem in assessing cash flows, cost of capital, and net present value of a capital-investment decision. The second new case is “Target Corporation,” which presents the multidimensionality of a capital-investment decision for a large corporation—i.e., the factors influencing the investment decision beyond NPV and IRR. And finally, “Aurora Textile Company” asks the student to conduct a complex replacement decision within the context of investing in a troubled industry. This challenging case emphasizes the importance of conducting a thorough sensitivity analysis when using a DCF analysis for resource allocation decisions.
5. **Management of the Firm’s Equity: Dividends, Repurchases, Initial Offerings.** This module seeks to develop practical principles about dividend policy and share issues by drawing on concepts about dividend irrelevance, signaling, investor clienteles, bonding, and agency costs. The new case, “EMI Group, PLC,” examines the April 2007 decision of British music company EMI to suspend its annual dividend as the company struggled to respond to the effect of digital audio distribution on its core business. The case is intended to serve as an engaging introduction

to corporate financial policy and themes in managing the right side of the balance sheet. Another new case, “TRX, Inc.: Initial Public Offering,” provides a comprehensive depiction of a firm’s decision to undertake an initial public offering (IPO) and the process of going public.

6. **Management of the Corporate Capital Structure.** The problem of setting capital structure targets is introduced in this module. Prominent issues are the use and creation of debt tax shields, the role of industry economics and technology, the influence of corporate competitive strategy, the trade-offs among debt policy, dividend policy, and investment goals, and the avoidance of costs of distress. The new case, “California Pizza Kitchen,” addresses the classic dilemma entailed in optimizing the use of debt tax shields and providing financial flexibility—this theme is extended in another case, “Deluxe Corporation,” which asks how much flexibility a firm needs.
7. **Analysis of Financing Tactics: Leases, Options, and Foreign Currency.** While the preceding module is concerned with setting debt targets, this module addresses a range of tactics a firm might use to pursue those targets, hedge risk, and exploit market opportunities. Included are domestic and international debt offerings, leases, currency hedges, warrants, and convertibles. With these cases, students will exercise techniques in securities valuation, including the use of option-pricing theory. This module includes two new cases. “Baker Adhesives” explores the concept of exchange-rate risk and the management of that risk with a forward-contract hedge and a money-market hedge.
8. **Valuing the Enterprise: Acquisitions and Buyouts.** This module begins with an extensive introduction to firm valuation in the note “Methods of Valuation: Mergers and Acquisitions.” The focus of the note includes valuation using DCF and multiples. The module features a newly adapted merger negotiation exercise (“Flinder Valves and Controls Inc.”) which provides an engaging venue for investigating the distribution of joint value in a merger negotiation. There are two new cases in the module. The first new case, “Hershey Foods Corporation,” presents the high-profile story of when the Hershey Trust Company put Hershey Foods up for sale. The case raises a number of challenging valuation and governance issues. The second new addition to the module is “The Timken Company,” which deals with Timken’s acquisition of the Torrington company from Ingersoll-Rand. This case requires the student to conduct a challenging valuation analysis of Torrington as well as to develop a financing strategy for the deal.
This edition offers a number of cases that give insights about investing or financing decisions in emerging markets. These include “Deutsche Brauerei,” “Kota Fibres Ltd.,” “Star River Electronics Ltd.,” and “Baker Adhesives.”

Summary of Changes from the Fifth Edition

The sixth edition represents a substantial change from the fifth edition.

This edition offers 17 new or significantly updated cases in this edition, or 35%

of the total. In the interest of presenting a fresh and contemporary collection, older cases have been updated and/or replaced with new case situations such that all of the cases are set in 2000 or later for this edition. Several of the favorite “classic” cases from the first five editions are available online from McGraw-Hill/Irwin; instructors who adopt this edition may copy them from there for classroom use. All cases and teaching notes have been edited to sharpen the opportunities for student analysis.

The book continues with a strong international aspect (18 of the cases, 37%, are set outside the United States or feature significant cross-border issues). Also, the collection continues to feature female decision-makers and protagonists prominently (16, or 33%, of the cases).

Supplements

The case studies in this volume are supported by various resources that help make student engagement a success:

- Spreadsheet files support student and instructor preparation of the cases. They are located on the book’s Web site at www.mhhe.com/bruner6e.
- A guide for the novice on case preparation, “Note to the Student: How to Study and Discuss Cases,” in this volume.
- The instructor’s resource manual provides counterparty roles for two negotiation exercises and also presents detailed discussions of case outcomes, one of which is designed to be used as second class period for the case. These supplemental materials can significantly extend student learning and expand the opportunities for classroom discussion.
- An instructor’s resource manual of about 800 pages on the Web site containing teaching notes for each case. Each teaching note includes suggested assignment questions, a hypothetical teaching plan, and a prototypical finished case analysis.
- Web site addresses in many of the teaching notes. These provide a convenient avenue for updates on the performance of undisguised companies appearing in the book.
- Notes in the instructor’s manual on how to design a case-method course, on using computers with cases, and on preparing to teach a case.
- A companion book by Robert F. Bruner titled, *Socrates’ Muse: Reflections on Excellence in Case Discussion Leadership* (McGraw-Hill/Irwin, 2002), is available to instructors who adopt the book for classroom use. This book offers useful tips on case-method teaching.
- Several “classic” cases and their associated teaching notes were among the most popular and durable cases in previous editions of *Case Studies in Finance*. Instructors adopting this volume for classroom use may request permission to reproduce them for their courses. The cases are on the book’s Web site.

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