

**DEALS: L6107**  
**Course Descriptions**  
**2016 – 2009**

**Spring 2016**

L6107 DEALS

A. Katz, R. Mann

Course Description Provided by Instructors

This course will focus on the role of professionals in creating value through transaction engineering. The first eight weeks will be devoted to barriers to transacting -- including information problems, transaction costs, credibility of enforcement, strategic behavior, contracting over time -- and a range of responses to those problems, such as option theory, decision theory, risk management, reputation markets, incentive alignment, and techniques for eliminating information asymmetries. In the last five weeks of the course, students working in teams will apply the tools developed in the first half to a series of real transactions; 50% of the grade in the class will depend on this team project. The goal of the course is to explain both how private parties actually order their commercial interactions and to develop a systematic theory of how they ought to do so.

Regular class attendance is required. In addition, students must attend the first two class meetings in person in order to retain their registration priority. Anyone who cannot attend these meetings due to extenuating circumstances should e-mail the instructors so that they are not dropped from the roster.

Textbook: Kaplow and Shavell, *Contracting* (Foundation Press, 2004) - ISBN-13: 978-1587788086 and instructor-edited coursepack.

Method of Evaluation: Short memos (10%), group paper (50%), and final exam (40%).

**Spring 2015**

L6107 DEALS

A. Katz, R. Mann

Course Description Provided by Instructors

This course will focus on the role of professionals in creating value through transaction engineering. The first eight weeks will be devoted to barriers to transacting – including information problems, transaction costs, credibility of enforcement, strategic behavior, contracting over time – and a range of responses to those problems, such as option theory, decision theory, risk management, reputation markets, incentive alignment, and techniques for eliminating information asymmetries. In the last five weeks of the course, students working in teams will apply the tools developed in the first half to a

series of real transactions; 50% of the grade in the class will depend on this team project. The goal of the course is to explain both how private parties actually order their commercial interactions and to develop a systematic theory of how they ought to do so.

Regular class attendance is required. In addition, students must attend the first two class meetings in person in order to retain their registration priority. Anyone who cannot attend these meetings due to extenuating circumstances should e-mail the instructors so that they are not dropped from the roster.

## **Spring 2014**

L6107 DEALS

A. Katz, R. Mann

### Course Description

The Charles E. Gerber Deals course will focus on the analysis of the contract documents memorializing a variety of interfirm business transactions. We hope to learn more about the patterns of contractual governance that have emerged with respect to different types of transactions: how do parties order their commercial interactions? Perhaps more important, we hope to be able to build on that learning to teach how parties may more effectively govern their relations: how should parties order their commercial interactions?

The course will be composed of two parts. The first, lasting four to six weeks, is designed to introduce the students to the economic tools necessary to evaluate alternative contractual regimes, including transaction costs, information economics, risk sharing and incentives, property rights, and finance. Students also will work through some of the existing empirical work on contracting regimes.

The second half of the course will apply the tools developed in the first part to real transactions. Each week the class will consider a different real-world transaction, with the particular transactions selected to give the students a range of subject matter so as to highlight a common set of problems that arises in all settings. For example, in one semester the class might examine a movie financing transaction, a real estate syndication, a venture capital transaction, and a joint venture agreement.

Each transaction will be allocated two classes. For the first class, a team of students will prepare readings that include the actual transaction documents, an overview of the legal and regulatory structure of the industry, and a description of the strategic and competitive characteristics of the industry. The students then will apply the analytic tools they have learned to understanding the structure of the transaction. In the second class, a presentation will be made by the lawyers and/or principals who actually

participated in the transactions. The goal is to give students the opportunity to test how the class approach corresponds to the way those who "did the deal" understood it.

## **Spring 2013**

L6107 DEALS

V. Goldberg, R. Mann

Section Description Provided by Instructors

The course will focus on the analysis of the contract documents memorializing a variety of interfirm business transactions. We hope to learn more about the patterns of contractual governance that have emerged with respect to different types of transactions: How do parties order their commercial interactions? Perhaps more important, we hope also to be able to build on that learning to teach how parties may more effectively govern their relations: How should parties order their commercial interactions to best promote their mutual interests?

The course will be composed of two parts. The first, involving four to six weeks, is designed to introduce the students to the economic tools necessary to evaluate alternative contractual regimes, including transaction costs, information economics, risk sharing and incentives, property rights, and finance. Students also will work through some of the existing empirical work on contracting.

The second half of the course will apply the tools developed in the first part to actual transactions. Each week the class will consider a different real world transaction, with the particular transactions selected to give the students a range of subject matter so as to highlight a common set of problems that arises in all settings. For example, in one semester the class might examine a movie financing transaction, a real estate syndication, a venture capital transaction, and a joint venture agreement.

Each transaction will be allocated two classes. For the first class, a team of students will prepare readings that include the actual transaction documents, an overview of the legal and regulatory structure of the industry, and a description of the strategic and competitive characteristics of the industry. And the students will apply the analytic tools they have learned to understanding the structure of the transaction. In the second class, a presentation will be made by lawyers and/or principals who actually participated in the transactions. The goal is to give students the opportunity to test how the class approach corresponds to the way those who "did the deal" understood it.

## **Spring 2012**

L6107 DEALS

V. Goldberg, R. Mann

Section Description Provided by Instructors

The course will focus on the analysis of the contract documents memorializing a variety of interfirm business transactions. We hope to learn more about the patterns of contractual governance that have emerged with respect to different types of transactions: How do parties order their commercial interactions? Perhaps more important, we hope also to be able to build on that learning to teach how parties may more effectively govern their relations: How should parties order their commercial interactions to best promote their mutual interests?

The course will be composed of two parts. The first, involving four to six weeks, is designed to introduce the students to the economic tools necessary to evaluate alternative contractual regimes, including transaction costs, information economics, risk sharing and incentives, property rights, and finance. Students also will work through some of the existing empirical work on contracting.

The second half of the course will apply the tools developed in the first part to actual transactions. Each week the class will consider a different real world transaction, with the particular transactions selected to give the students a range of subject matter so as to highlight a common set of problems that arises in all settings. For example, in one semester the class might examine a movie financing transaction, a real estate syndication, a venture capital transaction, and a joint venture agreement.

Each transaction will be allocated two classes. For the first class, a team of students will prepare readings that include the actual transaction documents, an overview of the legal and regulatory structure of the industry, and a description of the strategic and competitive characteristics of the industry. And the students will apply the analytic tools they have learned to understanding the structure of the transaction. In the second class, a presentation will be made by lawyers and/or principals who actually participated in the transactions. The goal is to give students the opportunity to test how the class approach corresponds to the way those who "did the deal" understood it.

## **Spring 2011**

L6107 DEALS

Section Description Provided by Instructor

The course will focus on the analysis of the contract documents memorializing a variety of interfirm business transactions. We hope to learn more about the patterns of

contractual governance that have emerged with respect to different types of transactions: How do parties order their commercial interactions? Perhaps more important, we hope also to be able to build on that learning to teach how parties may more effectively govern their relations: How should parties order their commercial interactions to best promote their mutual interests?

The course will be composed of two parts. The first, involving four to six weeks, is designed to introduce the students to the economic tools necessary to evaluate alternative contractual regimes, including transaction costs, information economics, risk sharing and incentives, property rights, and finance. Students also will work through some of the existing empirical work on contracting.

The second half of the course will apply the tools developed in the first part to actual transactions. Each week the class will consider a different real world transaction, with the particular transactions selected to give the students a range of subject matter so as to highlight a common set of problems that arises in all settings. For example, in one semester the class might examine a movie financing transaction, a real estate syndication, a venture capital transaction, and a joint venture agreement.

Each transaction will be allocated two classes. For the first class, a team of students will prepare readings that include the actual transaction documents, an overview of the legal and regulatory structure of the industry, and a description of the strategic and competitive characteristics of the industry. And the students will apply the analytic tools they have learned to understanding the structure of the transaction. In the second class, a presentation will be made by lawyers and/or principals who actually participated in the transactions. The goal is to give students the opportunity to test how the class approach corresponds to the way those who "did the deal" understood it.

## **Spring 2010 and 2009**

L6107 DEALS

### Course Description

This course will focus on the role of lawyers in creating value through transaction engineering. The first eight weeks of the course, up through spring break, will be devoted to barriers to transacting -- including information problems, spillover benefits, free riding, holdup of sunk investments, strategic behavior, contracting over time -- and a range of possible responses to these barriers, such as options, guarantees, incentive pay, penalties, risk management, reputation, asset partitioning, and third-party verification. The goal of this part of the course is to explain both how private parties

actually order their commercial interactions and to develop a systematic theory of how they ought to do so.

After spring break, students working in teams will apply the tools developed in the first part of the course to actual transactions. Each week the class will consider a different transaction, with the particular transactions selected to give the students a range of subject matter so as to highlight a common set of problems that arises in all settings. For example, in one semester the class might examine a movie financing transaction, a real estate syndication, a venture capital transaction, and a joint venture agreement.

Each transaction will be allocated two classes. For the first class, a team of students will prepare readings and a class presentation based on the actual transaction documents, an overview of the legal and regulatory structure of the industry, and a description of the strategic and competitive characteristics of the industry. In the second class, the lawyers and/or principals who actually participated in the transactions will visit the class, offer their own presentation, and discuss the transactions with the class. The goal is to give students the opportunity to test how the class approach corresponds to the way those who "did the deal" understood it.