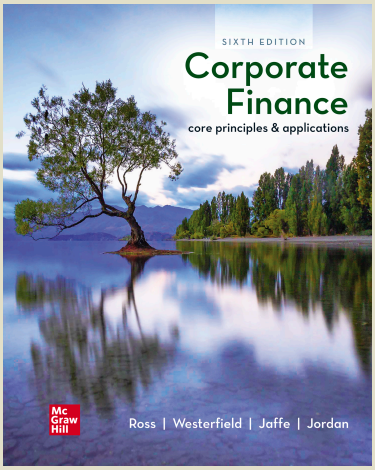
Because learning changes everything.®

List of Changes



Corporate Finance: Core Principles and Applications 6e

Ross, Westerfield, Jaffe, Jordan

ISBN: 9781260013894 / © 2021

available in connect®

Corporate Finance: Core was developed for the graduate (MBA) level as a concise, up-to-date, and to-the-point product, the majority of which can be realistically covered in a single term or course. To achieve the objective of reaching out to the many different types of students and the varying course settings, corporate finance is distilled down to its core, while maintaining a decidedly modern approach. Purely theoretical issues are downplayed, and the use of extensive and elaborate calculations is minimized to illustrate points that are either intuitively obvious or of limited practical use. The goal was to focus on what students really need to carry away from a principles course. A balance is struck by introducing and covering the essentials, while leaving more specialized topics to follow-up courses. Net present value is treated as the underlying and unifying concept in corporate finance. Every subject covered is firmly rooted in valuation, and care is taken throughout to explain how particular decisions have valuation effects. Also, the role of the financial manager as decision maker is emphasized, and the need for managerial input and judgment is stressed.

SEE LIST OF CHANGES ATTACHED.

It All Starts with You

McGraw-Hill Connect® is a course management and adaptive learning solution that enhances your unique voice and teaching style. As your partner, we're committed to helping you achieve your course goals and unlock student potential. That's why we've made meaningful updates to this edition.

New In Connect:

SmartBook® 2.0 – Our adaptive reading experience has been made more personal, accessible, productive, and mobile.

Finance Prep Course – Prep Courses cover the basic concepts in Math, Statistics, Accounting, Excel, and Economics, and are comprised of animated tutorial modules with quiz questions. Instructors can assign as homework or include for optional practice.

Finance Interactives – These unique, interactive applets give students the chance to manipulate and interpret the data points that define key concepts in Corporate Finance.

Excel Simulations – These interactives allow students to practice their Excel skills, such as basic formulas and formatting, within the context of accounting. When enabled by the instructor, these questions feature animated, narrated Help and Show Me tutorials.

Corporate Finance Videos – Brief and engaging conceptual videos (and accompanying questions) help students to master the building blocks of the Corporate Finance course.

Guided Examples – These videos provide a narrated, animated, step-by-step walk-through of select exercises similar to those assigned. These short presentations, which can be turned on or off by instructors, provide reinforcement when students need it most.

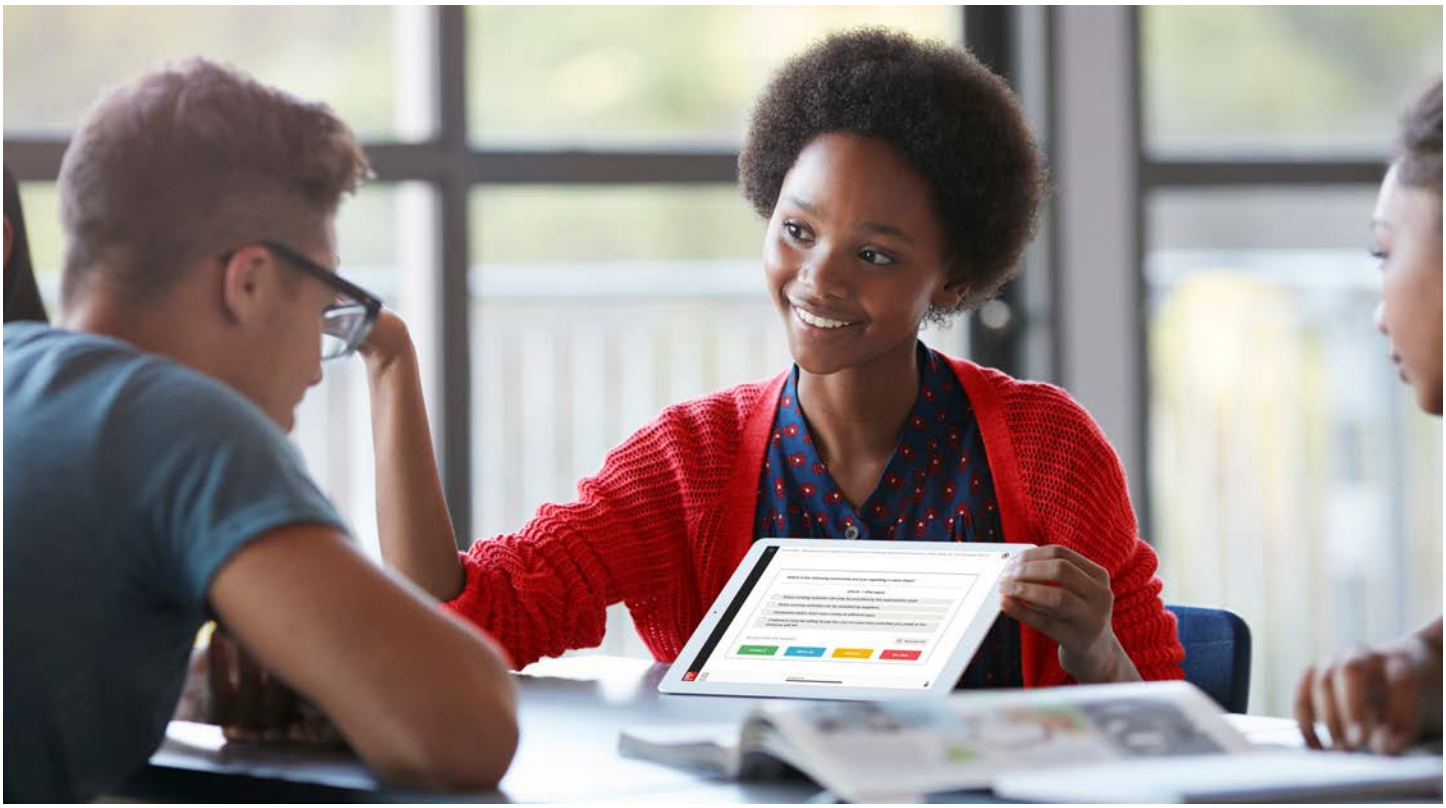
Application-Based Activities

Learning that Fits
mheducation.link/smartbook2

Additional Value When You Upgrade

- **NEW!** Free mobile access to SmartBook 2.0 assignments and the digital textbook with the ReadAnywhere app.
- **NEW!** Remoting proctoring and browser-locking capabilities allowing for more control over the integrity of online assessments.
- **NEW!** Ability to create enhanced assignments personalized to each student's needs.
- Accessibility and student data security enhancements.
- More advanced student and class reporting capabilities.
- 99.99% platform uptime

Visit **mheducation.com/connect** for details.



Changes to Ross: Corporate Finance: Core Principles & Applications, 6e

NEW AND NOTEWORTHY TO THE SIXTH EDITION

All chapter openers and examples have been updated to reflect the financial trends and turbulence of the last several years. In addition, we have updated the end-of-chapter problems in every chapter. We have tried to incorporate the many exciting new research findings in corporate finance.

- The Tax Cuts and Jobs Act of 2017 is incorporated throughout. This major legislation covers many aspects of corporate finance, including (but not limited to):
    - Corporate tax. The new, flat-rate 21 percent corporate rate is discussed and compared to the old progressive system. Entities other than C corporations still face progressive taxation, so the discussion of marginal versus average tax rates remains relevant and is retained.
    - Bonus depreciation. For a limited time, businesses can take a 100 percent depreciation charge the first year for most non-real estate, MACRS-qualified investments.
    - Limitations on interest deductions. The amount of interest that may be deducted for tax purposes is limited. Interest that cannot be deducted can be carried forward to future tax years (but not carried back; see next).
    - Carrybacks. Net operating loss (NOL) carrybacks have been eliminated and NOL carryforward deductions are limited in any one tax year.
    - Dividends-received tax break. The tax break on dividends received by a corporation has been reduced, meaning that the portion subject to taxation has increased.
    - Repatriation. The distinction between U.S. and non-U.S. profits essentially has been eliminated. All “overseas” assets, both liquid and illiquid, are subject to a one-time “deemed” tax.
- In the 12 years since the “financial crisis” or “great recession,” we see that the world’s financial markets are more integrated than ever before. The theory and practice of corporate finance has been moving forward at a fast pace and we endeavor to bring the theory and practice to life with completely updated chapter openers, many new modern examples, and completely updated end-of-chapter problems and questions.
- In recent years we have seen unprecedented high stock and bond values and returns as well as historically low interest rates and inflation.
- Chapter 10 Risk and Return: Lessons from Market History updates and internationalizes our discussion of historical risk and return. With updated historical data, our estimates of the equity risk premium are on stronger footing and our understanding of the capital market environment is heightened.
- Given the importance of debt in most firms’ capital structure, it is a mystery that many firms use no debt. There is new and exciting research of this “no debt” behavior that sheds new light on how firms make actual capital structure decisions.
- Chapter 15 Capital Structure: Limits to the Use of Debt explores this new research and incorporates it into our discussion of Capital Structure.
- Chapter 16 Dividends and Other Payouts updates the record of earnings, dividends, and repurchases for large U.S. firms. The recent trends show repurchases far outpacing dividends in firm payout policy. Because firms may use dividends or repurchases to pay out cash to equity investors, the recent importance of repurchases suggests a changing financial landscape.
- There are several twists and turns to the calculation of the firm’s weighted average cost of capital. Because the weighted average cost of capital is the most important benchmark we use for capital budgeting and represents a firm’s “opportunity cost,” its calculation is critical. We update our estimates of Eastman Chemical’s cost of capital using readily available data from the internet to distinguish the nuances of this calculation.

Our attention to updating and improving also extended to the extensive collection of support and enrichment materials that accompany the text. Working with many dedicated and talented colleagues and professionals, we continue to provide supplements that are unrivaled at the graduate level (a complete description appears in the following pages). Whether you use just the textbook, or the book in conjunction with other products, we believe you will be able to find a com

Delivering Value, Outcomes, and Support

Affordability & Outcomes

- Flexibility! More choice. You decide.
- Multiple options at multiple price points!
- Content options: McGraw-Hill, custom, Open Learning Solutions.
- Format Options: Print, McGraw-Hill eBook, Courseware, bundles.
- Delivery Options: Inclusive Access, rental, purchase.
- 950 Inclusive Access institutional partnerships in 2019.

Visit **mheducation.link/realvalue** for details.

Support At Every Step

Find all the resources you need for a successful semester in one spot: **supportateverystep.com**.

Faculty support is critical to the success of implementing and using digital courseware. That's why we teamed up with faculty to create a website dedicated to providing above-and-beyond support. From initial training to implementing new tools to digging into the data, we're here to help.

Let us know how we can partner with you at every step.