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# **Michael Milken: The Junk Bond King**

# Introduction

Michael Milken dubbed the “Junk Bond King,” in the 1980s brought about change into the financial markets by popularizing high-yield bonds or junk bonds. The case explores the Milken’s rise and his fall, his techniques and exciting role in corporate finance. This paper aims at discussing the strengths, threats, and implications of the case solution in more detail, focusing on Milken, the opportunities he took and the opportunities he missed and the impacts that his decision has brought to the field of finance.

# Milken's Junk Bond Strategy

The time has come for Milken to make a killing in the market for 'junk bonds' which at that time were associated with rather high default risk. He created these bonds for the market by providing better rate of return for investors, those willing to assume extra risk.

# Corporate Finance

In that, Milken and Drexel changed the course of corporate finance through his work with such junk bonds. Many firms that could earlier not access funds through credit from conventional banks or through an offering of equities had a new source of funding in the form of high-yield bonds.

# Conclusion

Biography of Michael Milken can be considered as an example of the development of financial markets and their threats. His work for corporate finance today is still useful today, but his legal conflict and scandality reminds us of the moral imperatives that surround them.

# Recommendation

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