

Syllabus

Recommended Text

Brealey, Myers and Allen, *Principles of Corporate Finance*, 8th Edition, McGraw-Hill, 2006.

Grading Policy

Midterm	35%
Final (comprehensive)	65%

Exam Policy

The midterm and final must be taken on the scheduled dates. The *only* exceptions allowed are (1) University-sponsored event or required exception; and (2) unforeseen and *officially documented* illness, accident or family crisis. The midterm is scheduled for **Thursday, Feb 8**.

Topics and Readings

1. Present Value Analysis

- A. Net Present Value – ch. 2
- B. Multi-period Returns – ch. 3 (pp. 35-44)
- C. Compounding Intervals – ch. 3 (pp. 44-48)

2. Evaluating Investment Projects

- A. Project Analysis – ch. 6 (pp. 113-125)
- B. Internal Rate of Return – ch. 5 (pp. 85-99)

MIDTERM – Feb 8

3. Risk and Return

- A. Measuring Risk
- B. Portfolio Risk – chs. 7 (pp. 154-172), 8 (pp. 181-188)
- C. Capital Asset Pricing Model – chs. 7 (pp. 147-154), 8 (pp. 188-204)

Also recommended – ch. 13

4. Capital Structure and Cost of Capital

- A. Valuing Financial Assets – chs. 3 (pp. 57-60), 4 (pp. 60-65)
- B. Modigliani-Miller Theorem – chs. 17 (pp. 445-456), 18 (pp. 469-473)
- C. Estimating the Cost of Capital – ch. 9 (pp. 215-226)
- D. Financing Projects – ch. 19

Also recommended – chs. 14, 15, 16 (pp. 415-427),
18 (pp. 473-495)

FINAL – COMPREHENSIVE