Syllabus Syllabus Management of the Syllabus Syl

Required Text AQ Valo - John Malatics O salt of crucia R bas salt A

Brealey and Myers, *Principles of Corporate Finance*, Seventh Edition, McGraw-Hill, 2003.

Grading Policy A Debt and Equity Finance - ch 14 A Debt and Equity Finance - ch 14

Midterm 35% (224-224 65% (224-224 225) (224-224 225)

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**, Oct. 30.

Topics and Readings

0. Introduction

- A. Course Content ch. 1
- B. Course Policies

1. Present Value Analysis

- A. Net Present Value ch. 2
- B. Multi-period Horizon ch. 3 (pp. 33-40)
- C. Compounding Intervals ch. 3 (pp. 40-45)
- D. Valuing Financial Assets chs. 3 (pp. 47-49), 4 (pp. 59-65)

2. Evaluating Investment Projects

- A. Analysis of Project Cash Flows ch. 6 (pp. 119-131)
- B. Capital Rationing ch. 5 (pp. 105-109)
- C. Internal Rate of Return ch. 5 (pp. 91-105)

3. Risk and Cost of Capital

- A. Risk and Return in the Capital Market ch. 7 (pp. 153-160)
- B. Portfolio Risk ch. 7 (pp. 160-178)
- warDold moun C. Capital Asset Pricing Model ch. 8

4. Capital Structure and Cost of Capital

- A. Debt and Equity Finance ch. 14
- B. Modigliani-Miller Theorem chs. 16 (pp. 433-436, 441-447), 17 (pp. 465-475), 9 (pp. 221-238)
- C. Interest Tax Shields chs. 18 (pp. 489-493), 19 (pp. 523-544)
- D. Optimal Capital Structure ch. 18 (pp. 493-515)

Recommended reading - chs. 13, 15

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B. Course Policies

I. Present Value Analysis

A. Net Present Value - ch. 2

C Commonting Intervals - ch 3 (on 40-4)

D. Valuing Financial Assets - chs. 3 (pp. 47-49), 4 (pp. 59-65

A. Analysis of Project Casa Plows - Cit. 0 (pp. 1

C. Internal Rate of Return - ch. 5 (pp. 91-105