

Content: Problems and concept questions (T/F, completion, etc.). **Stress Time Value.**

Format: 25 questions, 50 minutes, multiple-choice

Bring: pencil, eraser, calculator, scan form (#19641), cheat-sheet

Chapter	Topic
Chapter 1 & Introduction	Goals of the firm, Agency problems Financial decisions  Determinants of value: size, timing, risk; alternatives
Chapter 2: Financial Statements, Taxes & Cash Flows	Balance Sheet, Income Statement  Statement of Cash Flows Importance of cash Sources and uses of cash Relationship between Net Income and Operating Cash Flow, EBIT and Operating Cash Flow Depreciation tax shield  Taxes–Personal: For interest received: calculate after-tax interest rate For taxable debt: calculate grossed-up before-tax rate to compete with tax-exempt debt (“equivalent taxable yield”)  Taxes–Corporate: For interest paid: calculate after-tax interest rate Tax subsidy for use of debt financing Double/triple taxation of dividends (and exclusion)
Chapter 3: Financial Statement Analysis	Limitations of ratio analysis DuPont Model (interpretation & calculation)
Chapters 4 & 5: Time Value of Money	FV of single flow, annuity (ordinary & due), uneven stream, for annual and other compounding PV of single flow, annuity (ordinary & due), perpetuity, uneven stream, for annual and other compounding Rate of single flow, annuity (ordinary & due), uneven stream, for annual and other compounding Periods (N) of single flow, annuity (ordinary & due), for annual and other compounding PMT of annuity, for annual and other compounding Amortization