

## **Reading materials from the textbooks**

- Introduction to the corporation and financial markets. (Berk: 1.1 – 1.3) (Brigham: 1.3, 1.9)
- Introduction to financial statements: balance sheet, income statement, statement of stockholder's equity, statement of cash flows. (Berk: 2.2 – 2.5) (Brigham: 2.1 – 2.5)
- Introduction to financial statements analysis: profitability ratios, asset management ratios, liquidity ratios, leverage ratios, efficiency ratios, DuPont equation. (Berk: 2.6) (Brigham: 3.2 – 3.9)
- General evaluation principles. (Berk: 4.1 – 4.4) (Brigham: 4.1 – 4.3)
- Amortized loans. (Brigham: 4.17)
- Present value of some common investments. (Berk: 4.5) (Brigham: 4.6 – 4.8)
- Investment decisions rules. (Berk: 7.1 – 7.4) (Brigham: 10.3 – 10.8)
- Interest rates. (Berk: 5.1, 5.3, 5.4)
- Valuing bonds. (Berk: 6.1 – 6.5) (Brigham: 5.1 – 5.6, 5.10 – 5.13)
- Weighted average cost of capital. Valuing stocks. (Berk: 9.1 – 9.3) (Brigham: 7.4 – 7.6, 7.11)
- Returns and risk. Estimation windows. Mean and variance of a portfolio. (Berk: 10.2, 10.3)
- The CAPM model. Estimation of CAPM parameters. (Berk: 10.5 – 10.8, 11.1 – 11.7) (Brigham: 25.1 – 25.5)
- Capital structure in a perfect market. (Berk: 14.2, 14.3) (Brigham: 15.3)
- Payout policy. (Berk: 17.1, 17.2) (Brigham: 14.2, 14.3)
- Leasing. (Berk: 25.1) (Brigham: 19.1)
- Option basics. Option payoffs at expiration. (Berk: 20.1, 20.2)