

Chapter 1:

- 1) What is corporate Finance (3 questions)
- 2) Financial Manager and Organization of the firm
- 3) Capital structure, Capital budgeting, and Working Capital Management
- 4) Business Organization
 - a. Definitions
 - b. Advantages/Disadvantage
- 5) Articles of incorporation and By-laws
- 6) Goal of Financial Manager
- 7) Agency relationship and costs (direct and indirect)
- 8) Aligning interests (to avoid agency costs)
- 9) Financial markets
 - a. Primary vs secondary
 - b. Auction vs dealer
- 10) Cash flow between the firm and the Financial Markets
- 11) Sarbanes-Oxley

Chapter 2:

- 1) Balance sheet
 - a. Identity
 - b. Where all the items belong? (i.e. What is cash? Answer Current asset)
 - c. Definitions
- 2) Income Statement: Defintions, Items and how to calculate
- 3) Liquidity
- 4) Market vs book values
 - a. GAAP
 - b. Non-cash items
 - c. Realization principle
 - d. Matching principle
- 5) Taxes
 - a. Marginal vs average
 - b. Define and calculate
 - c. Foreign earnings
 - d. Corporate inversions
- 6) Cash flows
 - a. Cash flow Identify

Chapter 3

- 1) Statement of cash flows
- 2) Sources and uses of cash
- 3) Standardized Financial statements
 - a. Common-size
 - b. Common base year
- 4) Financial Ratios (will be given formulas)
 - a. Groupings
 - b. Be able to calculate and interpret
- 5) Dupont identity
- 6) Internal vs external uses of ratios
- 7) Benchmarking
 - a. Time Trend vs Peer group
 - b. SIC and NAICS