

15.415E REVISED COURSE OUTLINE

This is the revised outline for the material that remains to be covered in the course.

APRIL 22

Topic 16 Market Efficiency

Notions of market efficiency, tests of market efficiency, implications of market efficiency

Read: BM Chapter 13; BKM Chapter 12

APRIL 23

Topic 15 Capital Budgeting under Uncertainty

Risk-adjusted discount rates, measuring betas

Read: BM Chapter 9

APRIL 27, 29, 30

Topic 17 Capital Structure I

Debt vs. equity, MM theorem

Read: BM Chapter 17, UST

Topic 18 Capital Structure II

Taxes and bankruptcy costs, agency and information costs

Read: BM Chapter 18

MAY 4, 6, 7, 11

Topic 19 Valuation I

WACC and APV methods

Read: BM Chapter 19

Topic 20 Valuation II

Valuation in practice

Read: American Chemical

Topic 21

Valuation III

Valuation in practice

Read: American Chemical

MAY 13: REVIEW FOR FINAL EXAM
