

PEPPERDINE UNIVERSITY
THE GEORGE L. GRAZIADIO
SCHOOL OF BUSINESS AND MANAGEMENT

PRINCIPLES OF FINANCE
WAIVER EXAM CONTENT OUTLINE

Principles of Finance

Course Description

This course introduces the student to the complexities of financial valuation and decision-making. Specific topics will include, but are not limited to, time value of money, valuation of financial instruments, capital budgeting, risk assessment, and an introduction to capital markets.

Study Materials

- 1) Textbook: Ross, Westerfield, and Jaffe, Corporate Finance, 7th ed., McGraw-Hill Irwin Inc. 2005

OR

Brealey and Myers,
Principles of Corporate Finance, 8th ed.,
McGraw-Hill Irwin Inc. 2005

- 2) A financial calculator that is capable of calculating discounted cash flows, NPVs, and IRRs. *You should bring a financial calculator with you to the exam.*

Topical Outline for the Waiver Exam

<i>Topic(s)</i>	<i>RWJ Chapters</i>	<i>Brealey and Myers Chapters</i>
INTRODUCTION TO CORPORATE FINANCE AND FINANCIAL STATEMENTS	Chapter 1; Chapter 2 Appendix 2A, 2B, and 2C	Chapter 1 ; Chapter 29
TIME VALUE OF MONEY, DISCOUNTED CASH FLOWS	Chapter 4	Chapter 2; Chapter 3
STOCK AND BOND VALUATION	Chapter 5, Appendix.5A	Chapter 4; Chapter 24
CAPITAL BUDGETING CRITERIA; NET PRESENT VALUE AND INVESTMENT DECISIONS	Chapter 6	Chapter 5; Chapter 6;
CAPITAL BUDGETING AND STRATEGY IN NPV	Chapter 7 Chapter 8	Chapter 10; Chapter 11; Chapter 12
CAPITAL MARKET THEORY: AN OVERVIEW OF RISK, RETURN, THE OPPORTUNITY COST OF CAPITAL	Chapter 9, Chapter 10 Appendix 10A	Chapter 7; Chapter 8; Chapter 9;