

Jan 21, 2008

PRINCIPLES OF FINANCE (FIN 211)

ASSIGNMENT

Submit ***handwritten*** answers to the following questions. Each question should have comprehensive, but brief half-page (no more than one page!) answer. Use appropriate illustrations (diagrams, charts, formulas, tables) where necessary. You are free to use any available source: text-book, handouts, additional reading, web sites.

Introduction to Financial Management & Financial Environments

1. What is Financial Management?
2. The Goal of the Firm
3. The Business Environment
4. The Financial Environment

The Time Value of Money

5. The Interest Rate - Simple Interest, Compound Interest
6. Present Value of Money
7. Future Value of Money
8. Amortizing a Loan

The Valuation of Long-Term Securities

9. Distinctions Among Valuation Concepts
10. Bond Valuation
11. Preferred Stock Valuation
12. Common Stock Valuation
13. Rates of Return (or Yields)

Risk and Return

14. Defining Risk and Return
15. Using Probability Distributions to Measure Risk
16. Attitudes Toward Risk
17. Risk and Return in a Portfolio Context
18. Diversification
19. The Capital Asset Pricing Model (CAPM)

Financial Statement & Cash-flow Analysis

20. Financial Statements
21. A Possible Framework for Analysis
22. Ratio Analysis
23. Trend Analysis
24. Common-size
25. Cash-flow Statement
26. Cash-flow Forecasting

Please submit this assignment on the day of your Mid-Term Exam. Those who submit assignment in time and get grade A or B for the mid-term will receive 100% for the assignment.

Submissions after the Mid-term exam:

Submission within 3 weeks of the mid-term examination is eligible for only 75%.

Submission after 3 weeks of the mid-term examination but before the revision week is eligible for only 50%.