Syllabus

This second year Ph.D. course in the theory of corporate finance provides a rigorous introduction and prepares students for theoretical research in corporate finance.

Topics. The topics include the role of debt (week 1-3), liquidity (week 4-7), dynamic financing and macroeconomics (week 8-10), and collateral (week 11-13).


Prerequisites, Requirements, and Miscellanea. No background beyond first year graduate microeconomics is required, although familiarity with contract theory and information economics is useful. Course requirements include problem sets, a paper, and a final exam. The course meets on Wednesdays from 9am to 12pm in DeSanctis seminar room. The first class meets on Wednesday, January 18. You can contact me by email at rampini@duke.edu. The teaching assistant is Basil Williams and can be contacted at basil.williams@duke.edu. There will be occasional review sessions conducted by the TA. There is a course web page with a schedule and additional course information (url http://faculty.fuqua.duke.edu/~rampini/finance553.htm).

1. Debt and Financing with Costly State Verification


2. Financial Intermediaries


3. Debt and Liquidity

Dang, T.V., G. Gorton, and B. Holmström, 2010, Opacity and the optimality of debt for liquidity provision, working paper, Yale University and MIT.


5. Liquidity and Bubbles


7. Illiquidity and Search in Financial Markets


8. Dynamic Financing with Moral Hazard


9. Dynamic Financing with Limited Enforcement


10. Financing Constraints and Business Cycles


11. Collateral and Asset Prices


12. Collateral and Efficiency

Kilenthong, W., and R. Townsend, 2011, Market based, segregated exchanges with default risk, working paper, University of the Thai Chamber of Commerce and MIT.

13. Collateral and Heterogeneous Beliefs


Simsek, A., 2010, When optimists need credit, working paper, Harvard University.

**Additional Topics Not Covered This Year**

*Financing and Control*


*Financial Distress*


*Multiple Financiers*


*Finance and Growth*

