Corporate Finance Theory
Preliminary Syllabus

This is a second year graduate course in the theory of corporate finance. The objective is to provide a rigorous introduction and to get students to learn how to do theoretical research.

Topics. The topics include financing with various sources of agency problems such as moral hazard, asymmetric information, limited observability, and limited commitment. The last part of the course will consider the macroeconomic implications of corporate finance.


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 critique/paper, and a final exam. The class is tentatively scheduled for Mondays from 8:45am to 11:45am (Seminar Room 2). The first class meets on Monday, August 28. You can contact us by email at rampini@duke.edu or viswanat@duke.edu or by phone at 919 660-7797 (Rampini) or 919 660-7784 (Viswanathan). There will be a course web page with a class schedule and additional course information (url http://faculty.fuqua.duke.edu/~rampini/ba553.htm).

1. Moral Hazard


2. Financing with Incomplete Contracts


3. **Auctions and Applications to Corporate Finance**


4. **Bank Runs and Coordination Problems**


5. **Takeovers**


6. **Bubbles and Corporate Finance**


7. **Financing with Costly State Verification**


8. Financial Distress


9. Multiple Financiers


10. Dynamics of Financing Constraints


11. Financing Constraints and Business Cycles


12. Collateral and Asset Prices

13. Liquidity and Economic Activity