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 security design, liquidity, and macro corporate finance. A tentative schedule is below.


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, referee reports, and a final exam. The course meets on Wednesdays from 1:30pm to 4:30pm in DeSanctis seminar room. The first class meets on Wednesday, January 7. You can contact me by email at rampini@duke.edu. The teaching assistant is Yenan Wang and can be contacted at yenan.wang@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/finance953.htm).

1. Debt and Financing with Costly State Verification


Dang, T., G. Gorton, and B. Holmström, 2013, The information sensitivity of a security, working paper, Columbia University, Yale University, and MIT.


2. Security Design


3. Security Design with Moral Hazard


4. Financial Intermediaries


5. Illiquidity and Competitive Search


6. Illiquidity and Search in Financial Markets


7. Illiquidity in Dynamic Asset Markets with Adverse Selection


Fuchs, W., and A. Skrzypacz, 2014, Government interventions in a dynamic market with adverse selection, working paper, University of California, Berkeley and Stanford University.


8. Debt Maturity

TBD

9. Rollover Risk

TBD

10. Liquidity, Financial Intermediation, and the Government


11. Dynamic Financing with Limited Enforcement


12. Dynamic Financing with Moral Hazard


13. Collateral, Asset Prices, and Efficiency


14. Financing Constraints and Business Cycles


15. Capital Reallocation
