I. CHAPTER 5: TIME VALUE OF MONEY (50%)
   A. Simple Interest problems; single cash deposit / receipt
   B. Compound interest problems for single cash deposit (multi-period)
   C. Sinking Fund and Annuity type problems; multiple cash payments
      1. Loan Amortization
      2. IRA, 401(k) accumulation value problems
      3. Annuitizing Accumulations (ordinary annuities)
      4. Annuity Due problem (using the BGN function)
   D. Best Practice Examples: Pages 12-13, problems 1 thru 8

II. CHAPTER 6 (10%)
   A. Interest rates as cost of credit
   B. Composition of Nominal Interest Rates
   C. Factors that influence interest rate levels
      1. Inflation
      2. Credit demand
      3. Fed Monetary Policy

III. CHAPTER 7: BOND VALUATION (20%)
   A. Be able to compute:
      1. Yield-to-Maturity (YTM = I/Y)
      2. Price
      3. c. Current Yield
   B. Managing Callable bonds: motivation for recall
   C. Problems similar to Problems 7-1, 7-8, and 7-11 from the homework

IV. CHAPTER 8: RISK AND RETURN (10%)
   A. How do we define risk in finance?
      1. Probability Distribution (standard deviation)
      2. Probability of loss
   B. What does it mean to be risk averse?
   C. What is the risk premium and how is it used?
V. CHAPTER 10: COST OF CAPITAL (10%)
   A. The importance of the Weighted Average Cost of Capital (WACC)
   B. The impact of flotation costs on new capital
   C. Why is the use of debt preferred?