

## **Economics of the Firm Spring 2009**

Department of Economics, University of Oslo

Lecturer: professor Tore Nilssen, room 1216, [tore.nilssen@econ.uio.no](mailto:tore.nilssen@econ.uio.no)

Textbook: Tirole, *The Theory of Corporate Finance*. Princeton University Press, 2006.

**Lectures:** Wednesdays 14:15-16:00, ES Aud 3 [except 18 March: HE Aud 2]

**Seminars:** Mondays 10:15-12:00 ES 1220; Tuesdays 14:15-16:00 HH 201

Note: There are 13 lectures and 6 seminars, so that there will not be seminars offered every week. Lectures start on January 14. Seminar dates are 2-3 Feb, 23-24 Feb, 9-10 Mar, 23-24 Mar, 20-21 Apr, and 4-5 May.

### **Lecture plan**

Theme 1. Introduction to corporate finance. Tirole, chs 1-2. [Lecture 1]

Theme 2. Outside financing capacity. Tirole, ch 3, incl supplement. [Lectures 2-3]

Theme 3. Determinants of borrowing capacity. Tirole, ch. 4, incl supplement. [Lectures 4-5]

Theme 4. Multi-stage financing: liquidity management, free cash flow. Tirole, parts of ch 5. [Lecture 6]

Theme 5. Asymmetric information. Tirole, ch 6. [Lecture 7]

Theme 6. Product markets. Earnings manipulations. Career concerns. Risk taking. Tirole, ch 7, incl supplement. [Lectures 8-9]

Theme 7. Monitoring. Investor activism. Tirole, chs 8-9. [Lectures 10-11]

Theme 8. Control rights. Corporate governance. Takeovers. Tirole, chs 10-11. [Lectures 12-13]

Theme 9. Summary of course. [Lecture 13]

### **Note:**

Winter break: week 8 (after Lecture 5)

Long Easter break: weeks 14-15 (after Lecture 10)