

Prof. Dr. Axel F.A. Adam-Müller  
28 June 2018

Dear students,

The July examination in ABLW II consists of an accounting part (Jahresabschluss und Besteuerung) and a finance part (Investition und Finanzierung).

Regarding the finance part, I would like to inform you about the following:

1. The examination questions are in English only. You have to answer in English. (If your English is not very good, then so be it.) Should you not know a particular technical term in the English language, you might use the term in German instead; but this has to be the exception.
2. You are only allowed to use the following devices:
  - a. A non-programmable calculator;
  - b. one DIN A4-sheet with handwritten notes on both sides (*Spickzettel*). These notes have to relate to the finance part of the examination only. The notes must not contain any accounting-related material. If you use such a sheet, please note your student number on it. The invigilators will record whether you have such a sheet or not. If you use one, you are obliged to hand in your sheet together with your answer sheets.
3. It follows directly that you are not permitted to use a dictionary.
4. The structure of the examination will be identical to the structure of the February 2018 examination: Section A with eight short statements where you have to state whether they are true or false and give a reason for your answer. You have to work on five statements out of eight. Section B with three questions of which you have to work on two. Each question in Section A has 3 marks, each question in Section B has 15 marks. Maximum number of marks: 45.
5. The content of Sections 13.7, 15.3 and 17 of the lecture are not examinable. Questions in Section A might cover any material. For the questions in Section B, I recommend spending more time and effort on the following topics:
  - a. capital budgeting, NPV, FCF, WACC
  - b. bond and stock valuation, annual and semi-annual coupons, credit spreads, ratings, bond and stock arbitrage
  - c. portfolio theory, risk, CAPM, efficient portfolios, correlations, levered portfolios.

Not following rules 1. to 3. is an academic offense that might lead to you failing this examination.

Good luck with your preparations!

Best regards

Axel Adam-Müller