

### Finance MSc oral admission exam requirements 2024A central admission procedure

Name(s) of graduate program(s)	Finance Master
Type of the exam	<b>Oral</b>
Name of the exam	Finance
Duration of the exam	15-20 minutes
Method of the exam	Online
Short description of the exam	The applicant receives two or three questions concerning the topics of the written exam. They must explain the phenomena and unfold possible theories behind them. Next, the selection committee will ask further questions based on the answers. These questions cover the designated corporate finance topics or the related methodology and practice. In the second part of the discussion, questions assessing the motivations follow. The committee collect data on what the candidate achieved so far (e.g.: a bachelor thesis, internship, part-time study abroad, scientific student competitions, publications). They clarify how a degree in finance is relevant to the applicant's future plans and what financial issues the candidate is interested in, personally or regarding their future business career.
Materials that can be used during the exam	-
Recommended reading materials	Richard Brealey, Stewart Myers, Franklin Allen and Alex Edmans: Principles of Corporate Finance, McGraw Hill, 14 <sup>th</sup> Edition, Chapters 1-18
Topics	Part One: Value Chapter 1: Introduction to Corporate Finance Chapter 2: How to Calculate Present Values Chapter 3: Valuing Bonds Chapter 4: Valuing Stocks Chapter 5: Net Present Value and Other Investment Criteria Chapter 6: Making Investment Decisions with the Net Present Value Rule Part Two: Risk Chapter 7: Introduction to Risk, Diversification, and Portfolio Selection Chapter 8: The Capital Asset Pricing Model Chapter 9: Risk and the Cost of Capital Part Three: Best Practices in Capital Budgeting Chapter 10: Project Analysis Chapter 11: How to Ensure That Projects Truly Have Positive NPVs Part Four: Financing Decisions and Market Efficiency Chapter 12: Efficient Markets and Behavioral Finance Chapter 13: An Overview of Corporate Financing Chapter 14: How Corporations Issue Securities Part Five: Payout Policy and Capital Structure Chapter 15: Payout Policy Chapter 16: Does Debt Policy Matter? Chapter 17: How Much Should a Corporation Borrow? Chapter 18: Financing and Valuation
Sample questions	Explain the use of the diversification of assets and elaborate on the limits to diversification. Introduce the concept of capital structure. How does the capital structure affect beta?