Theory of the firm
Economic theory's main ideas about why firms exist.
Discuss make or buy.
Hart's property rights approach:
- Contract incompleteness. What is it and how/why does it matter?
- Residual rights. What is it and how/why does it matter?
- Relation-specific investments. What is it and how/why does it matter?
- Renegotiation. What is it and how/why does it matter?
- Hold-up and its' costs.
- Sharing of gains from trade.
- Optimal integration (main results. Skip the extensions.).

Financing the firm
Explain the link between the theory of the firm and the models about financing the firm.
Why is shift in control a feature of the optimal contract between entrepreneur and investor?
- Explain the idea in Aghion&Bolton.

Typical inefficiencies in contracting between entrepreneur and investor as presented in Hart&Moore's model.

Corporate finance
Why is corporate finance important?
What the Modigliani-Miller theorem says about whether financial structure matters.
And why it most often is not fulfilled.
Agency costs of outside equity. What is it and what can help?
Agency costs of debt. What is it and what can help?
- Asset substitution effect.

Explain the pecking order of capital.
- Including how Myers&Majluf argue (the intuition and main elements from model) about cost of equity.

Interactions between product market and corporate finance.
- Brander&Lewis (only intuition, modeling idea and result)

What is behavioral corporate finance?
How overoptimistic entrepreneurs can lead to inefficiency and how an investor can solve the problem (as the intuition in Landier&Thesmar).

Law and finance
Why law system, and its' quality, affect corporate finance.
Main findings in LaPorta et al.