**FIN 4710 FINAL EXAM INSTRUCTIONS AND REVIEW**

**Date: Saturday, May 16, from 11.10am-1.25pm (2 HOURS AND 15 MINUTES)**

**Zoom Link:** **<https://columbiauniversity.zoom.us/j/4462459479>**

***FINAL EXAM INSTRUCTIONS***

1. ***Link on Zoom*** [**https://columbiauniversity.zoom.us/j/4462459479**](https://columbiauniversity.zoom.us/j/4462459479) **before 11.10**
2. ***Everyone should have the camera on all the time while taking the exam***
3. ***During the exam you can ask questions using the ZOOM CHAT button below***
4. ***The exam will be accessible for everyone the same time. Each will have a different exam (42 random made exams).***
5. ***The exam will be posted on*** [***www.Professordrou.com***](http://www.Professordrou.com) ***under a separate tab called FIN4710 Final Exam. Notice that there will be another tab called Final Exam Dropbox (there you will be uploading your exam after you finish)***
6. ***Open the FIN4710 Final Exam and wait for instructions on the email and password***
7. ***Each will be given a different exam – find it by your name.***
8. ***Once your own Exam, save it on your desktop with you last name, space and first name (i.e. Smith John.xls) replacing the existing generic file name. Your name will be matching with the download so use your last name and then your first name.***

1. ***After you save, please open the spreadsheet from the desktop.***
2. ***You are not allowed to access the internet during your exam.***
3. ***You also not allowed to have any other notes or spreadsheets on the computer. The exam is designed that it will be flagged (not able to save) if you copy and paste from another excel. YOU NEED TO TYPE INSIDE THE SPREADSHEET BUT NOT COPY AND PASTE FROM ANOTHER SPREADSHEET***
4. ***The only notes that you allowed are the hard copies by your side.***
5. ***Remember also to write your name inside the body of the exam***
6. ***Remember to save your work every 5-10 minutes.***
7. ***Do not insert any lines or columns of the spreadsheet and put your answers in the designated yellow answer box (use excel as your calculator – do not hard wire numbers in these boxes)***
8. ***After you finish, save your work on the desktop and then open the Final Exam Dropbox page and save it on the Dropbox link below.***
9. ***Make sure you let the professor know that you saved it before you leave.***
10. ***The professor will need to verify that your exam was received via chat so wait few minutes for that confirmation.***
11. ***Again, do not leave until your exam file is with the professor***

**FINAL EXAM REVIEW**

**Section One: DCF Valuation Method (40 points):**

1. DCF Case Study.
   1. Build Transaction Sources & Uses and calculate WACC
   2. Debt Schedule – study how the LIBOR works
   3. Projections based assumptions
   4. Terminal Value, Equity NPV and IRR

Study: Alexandria Hotel (February 29 spreadsheet: “Case 1: Mid-Cap LBO – Equity……… )

**Section Two (60 Points):**

1. Basic Option Strategies (Uncover) Buy/Sell Calls, Puts and Straddles

Spreadsheet: (“Basic Option Strategies posted on April 18)

1. Advanced Option Strategies Protective Puts, Covered Calls, Collars and Money Spreads

Spreadsheet (“Advance Option Strategies posted on April 18)

1. BOPM (single period using probability method) for both Calls and Puts

Spreadsheet: (BOPM (single and 2 period method 2 posted on April 25)

1. BOPM (two period probability method with and without Dividends) for both Calls and puts

Spreadsheet: (BOPM (single and 2 period method 2 posted on April 25)

1. Black-Scholes for both Calls and Puts and Call-Put Parity method

Spreadsheet: (Black-Scholes Option Valuation Method posted on May 2)

Additional resources for practice: three Spreadsheets including the options formulas uploaded on May 9.