First Class Assignments is published each term to inform students of assignments to be prepared before the first class meeting. These pre-assignments are mandatory for students enrolled in the class and strongly recommended for those who hope to add any of these courses during subsequent phases of registration.

### Courses with a Pre-Assignment

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**30116-01  Soffer, Leonard**

Begin reading chapter 14 in the text and read at least through page 14-14. The rest of Chapter 14 is assigned for the second week and there is a lot to that chapter, so it would be very beneficial for you to go beyond page 14-14 before class starts to reduce the reading necessary for week 2. However, in doing so you can skim pp. 14-28 through 14-32 on Uncertain Tax Positions (UTPs). Get the idea of what UTPs are and what the liability represents, but do not agonize over the rather arcane way the liability is measured.
### 30121-01/02/81 Weiss, Ira

**Textbook:** *Entrepreneurial Finance & Accounting for High-Tech Companies, by Frank Fabozzi, 1st edition*

**Week 1 (January 12/13): The Financial & Accounting Infrastructure for Early-Stage Companies**
- Financial accounting use and infrastructure: public vs private entrepreneurial companies
- Financial statements and cash vs accrual
- Cash management, the “burn rate”, and cash runway
- Equity capitalization of private companies
- Internal controls, closing the books

**Required Readings:** *Entrepreneurial Financing and Accounting for High-Tech Companies, by Fabozzi*
1. Chapter 1 - Introduction
2. Chapter 7 - pages 127-130 only, Common Stock and Convertible Preferred Stock
3. Chapter 7 - pages 140-143 only, Pre- and Post-Money Valuation
4. Chapter 8 - pages 147-150 only, The Four Financial Statements

**Optional Background Readings/Podcasts**
1. Chapter 9 (Balance Sheet), Chapter 10 (Income Statement), Chapter 11 (Statement of Cash Flows and Statement of Shareholder’s Equity)
3. Andreessen Horowitz (a16z) Podcast: *Cash, Growth, and CEO ♥ CFO*  

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### 30130-01/81/85 Smith, Abbie

For the first class:

**Watch:** “Welcome to FSA” Video. (Canvas)

**Read:**
- Syllabus.
- WBB: Chapter 1.
- Smith: Getting Started with the 10-K and Proxy Statement.
- Smith: Industry Analysis and Sources of Information.

**Short Questions:**
See Canvas.

**Case Due:**
Amazon, Part I – Introduction to Financial Reports and Corporate Strategy. (Read and be prepared to discuss. Not to be handed in.)

All materials on Canvas except for WBB: Wahlen, Baginski, and Bradshaw text.

**Note:**
See Syllabus regarding Advance “Practice class” on Wednesday, January 6, 1-1:30pm and 6-6:30pm. (optional)
30131-01/02/81 Leuz, Christian

Week 1: Review of Basics and the Core of Valuation

Topics: Core issues in valuation; Why perform fundamental analysis?

Case: Dot-Com Crash of 2000

Please read the following materials to prepare for class in Week 1:
- Leuz, "We need smarter regulation, not more," Forbes (Canvas)
- Sloan, “Fundamental Analysis Redux,” The Accounting Review (Canvas)
- Koller et al., Chapter 2: Fundamental Principles of Value Creation (Book)
- Koller et al., Chapter 5: The Stock Market is Smarter Than You Think (Book)
- Koller et al., Chapter 16: Using Multiples (Book)

Please make sure you read these five items ahead of class. You can access readings through the class website, except for the Koller et al. book chapters. While I have assigned more readings than usual for this week, much of it should be a refresher to get you ready for class.

In the same spirit, check out the Valuation Tutorial on Canvas. I created it so that you can assess if you are ready for this class. The slides and the exercise are an excellent way to refresh your memory about ratio analysis and DCF, both of which I assume you are already familiar with.

For the Week 1 assignment, please read and answer below.
1. Palepu and Healy, Chapter 1: Framework for Business Analysis and Valuation (Canvas). The Dot-Com Crash of 2000 is part of this chapter (see pages I-12 to I-36).
2. Think about the questions on page I-28 so that you can discuss them in class.
3. For the assignment write-up, provide a short answer to each of the following questions. Bullet points are also fine.
   - Who are the main intermediaries and what is their intended function in capital markets?
   - How are these intermediaries compensated and what incentives do they have?
   - What role did these intermediaries play in the creation of the bubble?

The assignment needs to be submitted via Canvas as a pdf file before the class section for which you are registered starts. See syllabus and Canvas for more information about grading.

31401-81 Volden, Richard

Go to the Canvas site. Read the syllabus and complete Assignments 1 and 2 as directed before the first class session.

33040-02/81 Huizinga, John

Before the first class, please
1. Make sure you can access the course website. You will need to access the course website: (i) to get copies of the class notes; (ii) to take online quizzes; and (iii) for many other activities. The class website will available in the Canvas system at the completion of the first round of bidding.

Much of the material for the class will not be posted when course website first goes live. Some material will be posted after the first round of bidding is complete and before the start of the quarter; the rest will be posted as the quarter progresses.

- Read the Course Overview. It is available on the course website. Read it carefully and thoroughly. This material will not be covered in class but it is essential that you know it before the course starts. When you have questions about the course, please refer back to this document first to see if the answer to your question is there.

Continued on page 4.
If you have questions about the Course Overview feel free to e-mail me.

- Read Appendix A plus Chapters 1 & 2 in the Abel and Bernanke textbook.

The course moves quickly. It is easier to keep up if you have looked at the material in advance of class. To see what I plan to cover in the upcoming lecture(s), go to the homepage of the course website and click on the link for Lecture Topics.

There are multiple versions of the Class Notes. There is a Preliminary version which is available at least a week before the class in which the notes are covered. This version is for students who wish to go over the notes before class. There is an In-Class version of the notes which can be available as late as 15 minutes before the start of class. The differences between the Preliminary and In-Class version of the Display notes are usually minor, but as I prepare for a lecture I do at times try to improve the notes and also correct typos that I find. There is a Final version of the Regular and Display notes that is available after the conclusion of when the notes have been covered in class. This version reflects all the changes and corrections of typos that were made as a result of going through the material in class.

The slides that I lecture from are taken from the In-Class Version of the Class Notes.

33503-01/81  Dingle, Jonathan
Read the syllabus. Do the readings for week 1 indicated on the syllabus and watch the week 1 pre-class videos on Canvas.

34101-01/85  Meadow, Scott
This course has a required first class assignment due before the first class meeting. Please see the course Canvas site and read through the syllabus for further instructions. Those considering taking the course must attend the first class session (Week 1) in order to be prepared for subsequent weeks of the quarter.

34102-01/85  Schrager, James
For 34102-01 and 34102-85
Attendance at the first class is mandatory.

34102-02  Bunch, Gregory
Your first assignment is to come up with an "I imagine a solution..." statement. You will give your statement as part of your self-introduction during the first class. (≤ 250 words)

  o Imagine a world in which [someproblem] is solved. Sometimes students think that these must be big problems like world peace or ending hunger. That is not necessary at all. Your problem could be quite ordinary. This exercise is designed to give you a chance to explore or do a deep dive into a problem, a sector, a category. Choose something that interests you.
  o Write a short blog post to accompany this statement (≤ 250 words). The written piece will be posted in the blog by the beginning of Week 1.
  o Follow this template for your post
    ▪ 1) "I imagine a solution to x problem" statement.
    ▪ 2) Problem. What is the problem? Who does it affect? Estimate number of people affected by the problem. Estimate the financial opportunity.
    ▪ 3) Solution.
      ▪ How is this problem solved today? Competitive rivals? Substitutes? etc.
      ▪ How do you propose to solve this problem?

35200-01/02/85  Kempf, Elisabeth
Read the required textbook sections indicated in the class schedule (will be posted on Canvas) and watch the pre-recorded lecture before the first class session.
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<tr>
<td><strong>Required Reading:</strong></td>
<td>The syllabus, plus several optional readings.</td>
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<tr>
<td><strong>Watch/Listen to:</strong></td>
<td>3 Pre-Recorded Lectures</td>
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<tr>
<td><strong>Complete 2 timed Quizzes on line on CANVAS</strong></td>
<td>after you watch the 2 lectures on valuation</td>
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<td><strong>Prepare case in your group; write up due at class meeting time:</strong></td>
<td>ARAMARK Case.</td>
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<tr>
<td><strong>Read Friedman’s note on corporate social responsibility and skim through Larry Fink’s Letters</strong></td>
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<td><strong>Read the Industry and Background Note: Climate Change in 2020</strong></td>
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<td><strong>Read the case and be prepared to answer questions in class</strong></td>
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<td><strong>Case: Unilever’s New Global Strategy: Competing Through Sustainability</strong></td>
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<tr>
<td>1. How would you evaluate Paul Polman’s 2010 decision to implement Unilever’s Sustainable Living Plan strategy?</td>
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<td>2. How would a large shareholder in the firm view the strategy?</td>
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<td>3. How effective was the strategy at the time of the case? What had it done most effectively? What problems or concerns are emerging now?</td>
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<td>4. What should management do now? Which of the three options would you favor?</td>
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<td>5. How would you implement the option?</td>
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<td><strong>Please do the readings in the Introduction section of the syllabus and begin the readings in the Puzzles and Anomalies section. Please think about the week 1 discussion questions on Canvas and be prepared to discuss them in our first class session.</strong></td>
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<td><strong>Prior to class 1:</strong> Please watch Week 1 pre-recorded videos, read Week 1 required readings, and review Syllabus.</td>
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<td><strong>Group Projects:</strong> Form a team of exactly 5 students prior to class.</td>
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<td><strong>Lab Project:</strong> Hold internal meeting with your Lab team, meet with your Faculty Coach, work on client kick-off document (template on Canvas).</td>
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<tr>
<td><strong>Prior to class 1:</strong> Please watch Week 1 pre-recorded videos, read Week 1 required readings, and review Syllabus.</td>
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| **Read:** Syllabus  
Equality by Design: Introduction, 1-17 (required textbook #1)  
The Person You Mean to Be: Preface and Introduction, xvii – 19 (required textbook #2)  
| **Complete Web Survey 1:** The link to the survey can be found in Canvas. You should complete the survey by Monday January 11th, 12pm. |  |
40000-01/02/81 Candogan, Ozan
1. Purchase “The Goal.”
3. Access to Canvas site for the course and review the materials for Session 1 (under the Home tab).
4. Read the article “Deep Change” and the caselet “Varsity Subs” (Canvas).
5. If needed, read the “Basic Concepts in Probability” document (Canvas).

40108-01 Birge, John
Read the What price Vertigo? case and be prepared to discuss the questions at the end of the case.

42001-02/03/82 Leshno, Jacob
Read over the syllabus
• Read/ review Cabral
  o 1st ed.: Ch. 1 ( Micro Review: Ch. 2, Ch. 5 (pp. 69-75), Ch. 6 (pp. 85-91), Ch. 7 )
  o 2nd ed.: Ch. 1 ( Micro Review: Ch. 2.1-2.2, Ch. 3.1-3.2, Ch. 4.1, Ch. 5.3, Ch. 8 )
• Read Porter: “Note on the Structural Analysis of Industries”
• Watch the movie Money Ball, or read the book. We will discuss this during the lecture.

Note: This class will draw heavily on material from your microeconomics class. If you are unsure of your command of that material, I strongly recommend that you spend some time reviewing it before we begin. Some chapters from the Cabral book that are helpful for review are noted on the syllabus.

CASE DISCUSSION QUESTIONS
Cola Wars
1. Are Coke and Pepsi in an attractive industry? What about the CSD bottling industry? How did profits in each industry look like historically?
2. Perform a five forces analysis of Coke and Pepsi’s industry, treating the concentrate producers and bottlers as an integrated entity. Then think about how your five forces analysis would change if you treated the CPs and bottlers separately. In your analysis, try to come up with evidence for each of the following:
   • How intense is rivalry among firms in the industry? Why?
   • How much power do suppliers and customers have?
   • How large are barriers to entry?
   • How much competition is there from substitute goods?
3. Who has been winning the cola war?

How would you predict that the industry will evolve after 2000? What strategic moves would you recommend that Coke and Pepsi make to respond to these changes? (Analyze each firm’s problem separately.)

*** Because this is the first week, you do not need to turn in a memorandum. Make sure you are prepared for the discussion. ***

42121-81 Morrissette, Stephen
Please access the Canvas site and complete the tasks listed in the “Pre-Work” folder in the Course Documents area prior to the first class meeting. If you are not yet officially registered for the course and do not have access to the Canvas site for this course, please email the professor at stephen.morrissette@chicagobooth.edu to obtain access to the materials. The Canvas site will open approximately one week before class begins.