

**University of California, San Diego**  
**School of International Relations and Pacific Studies**

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Corporate Finance

Spring 2005  
IRGN 424

N. B.: There was a cut-and-paste error on the midterm exam: each question was worth 30 points, not 24 points.

**Midterm Examination Grade Distribution**

111 – 120:	3
101 – 110:	4
91 – 100:	2
81 – 90:	3
71 – 80:	3
61 – 70:	3
51 – 60:	1

**Midterm Examination Answers**

1. (Chapter 17, Quiz 11)
2. (Chapter 18, Quiz 2)
3. (Chapter 9, Quiz 5)
4. (Chapter 10, Problem 10) Describe the real option in each of the following cases:
  - a. Expansion option
  - b. Abandonment option.
  - c. Expansion option.
  - d. Production option.
  - e. Timing option.