

Quiz D: 3/21/12

Name & Time _____

Quiz: Assume that Firms A and B are generally similar except that the management of and investors in Firm A have approximately the same information about the firm's operations and prospects while the management and investors of Firm B have vastly different information about the firm's operations and prospects. What differences might you expect to find in the way these two firms are funded? How would you explain these differences?

Note: Bonus WSJ Questions on back of page