

BRIEF CONTENTS

PART I FINANCIAL CONCEPTS AND TECHNIQUES 1

- 1 Financial Management and Value Creation: An Overview 1
- 2 The Time Value of Money 33
- 3 Risk and Return 55

PART II ASSESSING BUSINESS PERFORMANCE 101

- 4 Interpreting Financial Statements 101
- 5 Analyzing Operational Efficiency and Liquidity 155
- 6 Analyzing Profitability, Risk, and Growth 193

PART III MAKING INVESTMENT DECISIONS 231

- 7 Using the Net Present Value Rule to Make Value-Creating Investment Decisions 231
- 8 Alternatives to the Net Present Value Rule 265
- 9 Identifying and Estimating a Project's Cash Flows 291

PART IV MAKING FINANCING DECISIONS 325

- 10 Valuing Bonds and Stocks 325
- 11 Raising Capital and Paying Out Cash 369
- 12 Estimating the Cost of Capital 423
- 13 Designing a Capital Structure 457

PART V MAKING BUSINESS DECISIONS 505

- 14 Valuing and Acquiring a Business 505
- 15 Managing Corporate Risk 555
- 16 Understanding Forward, Futures, and Option Contracts and Their Contribution to Corporate Finance 579
- 17 Making International Business Decisions 633
- 18 Managing for Value Creation 677

Answers to Self-Test Questions 717

Glossary 767

Index 789