

A detailed table of contents can be found on page 951

Preface	viii	11 WORKING CAPITAL AND CAPITAL EXPENDITURES	179
Frequently used symbols	xii	12 FINANCING	201
1 WHAT IS CORPORATE FINANCE?	1	13 RETURN ON CAPITAL EMPLOYED AND RETURN ON EQUITY	216
SECTION I		14 CONCLUSION OF FINANCIAL ANALYSIS	235
FINANCIAL ANALYSIS	15	SECTION II	
PART ONE		INVESTORS AND MARKETS	243
FUNDAMENTAL CONCEPTS IN FINANCIAL ANALYSIS	17	PART ONE	
2 CASH FLOW	19	INVESTMENT DECISION RULES	245
3 EARNINGS	29	15 THE FINANCIAL MARKETS	247
4 CAPITAL EMPLOYED AND INVESTED CAPITAL	44	16 THE TIME VALUE OF MONEY AND NET PRESENT VALUE	267
5 WALKING THROUGH FROM EARNINGS TO CASH FLOW	57	17 THE INTERNAL RATE OF RETURN	284
6 GETTING TO GRIPS WITH CONSOLIDATED ACCOUNTS	71	PART TWO	
7 HOW TO COPE WITH THE MOST COMPLEX POINTS IN FINANCIAL ACCOUNTS	88	THE RISK OF SECURITIES AND THE REQUIRED RATE OF RETURN	297
PART TWO		18 RISK AND RETURN	299
FINANCIAL ANALYSIS AND FORECASTING	115	19 THE REQUIRED RATE OF RETURN	327
8 HOW TO PERFORM A FINANCIAL ANALYSIS	117	PART THREE	
9 MARGIN ANALYSIS: STRUCTURE	141	FINANCIAL SECURITIES	345
10 MARGIN ANALYSIS: RISKS	164	20 BONDS	347



21 OTHER DEBT PRODUCTS	369	38 SHARE ISSUES	624
22 SHARES	384		
23 OPTIONS	404	PART THREE	
24 HYBRID SECURITIES	425	DEBT CAPITAL	705
25 SELLING SECURITIES	443	39 IMPLEMENTING A DEBT POLICY	707
SECTION III		SECTION V	
VALUE	469	FINANCIAL MANAGEMENT	725
26 VALUE AND CORPORATE FINANCE	471	PART ONE	
27 MEASURING VALUE CREATION	490	CORPORATE GOVERNANCE AND FINANCIAL ENGINEERING	727
28 INVESTMENT CRITERIA	508	40 SETTING UP A COMPANY OR FINANCING START-UPS	729
29 THE COST OF CAPITAL	526	41 CHOICE OF CORPORATE STRUCTURE	748
30 RISK AND INVESTMENT ANALYSIS	543	42 INITIAL PUBLIC OFFERINGS (IPOs)	771
31 VALUATION TECHNIQUES	555	43 CORPORATE GOVERNANCE	783
SECTION IV		44 TAKING CONTROL OF A COMPANY	796
CORPORATE FINANCIAL POLICIES	585	45 MERGERS AND DEMERGERS	819
PART ONE		46 LEVERAGED BUYOUTS (LBOs)	836
CAPITAL STRUCTURE POLICIES	587	47 BANKRUPTCY AND RESTRUCTURING	851
32 CAPITAL STRUCTURE AND THE THEORY OF PERFECT CAPITAL MARKETS	589	PART TWO	
33 CAPITAL STRUCTURE, TAXES AND ORGANISATION THEORIES	601	MANAGING WORKING CAPITAL, CASH FLOWS, FINANCIAL RISKS AND REAL ESTATE	863
34 DEBT, EQUITY AND OPTIONS THEORY	618	48 MANAGING WORKING CAPITAL	865
35 WORKING OUT DETAILS: THE DESIGN OF THE CAPITAL STRUCTURE	637	49 CASH MANAGEMENT	878
PART TWO		50 MANAGING FINANCIAL RISKS	897
EQUITY CAPITAL	657	51 MANAGING OPERATIONAL REAL ESTATE	922
36 RETURNING CASH TO SHAREHOLDERS	659	Epilogue – Finance and Strategy	935
37 DISTRIBUTION IN PRACTICE: DIVIDENDS AND SHARE BUY-BACKS	676	Top 20 Largest Listed Companies	943
		Contents	951
		Index	961