

OUTLINE FOR COMPREHENSIVE EXAM

Book: Financial Management. Theory & Practice, Eugene F. Brigham and Micheal C. Ehrhardt. 10th Edition

Financial Statement Analysis to Evaluate the Performance of the Company

- Ratio Analysis
- Cash Flow Analysis
- Horizontal & Vertical Analysis

Financial Planning and Forecasting

- Development of assumptions
- Financial Modeling
- Determining internal and sustainable Growth rates
- Determining External Financing Requirements.

Capital Budgeting for Decision Making

- Understanding and calculating the investment appraisal criteria / techniques such Payback period, NPV, IRR, MIRR, and BCR.
- Estimating the relevant cash flow stream for new and replacement projects.
- Evaluating projects mutually exclusive projects having unequal lives – two approaches i.e., replacement chain method, and equivalent annual annuities (EAA) method.
- Sensitivity and scenario analysis
- Determining sales level of achieving NPV breakeven.

Capital Structure Decisions

- Capital structure issues
- Business & financial risk
- Estimating optimal capital structure to maximize firm's value.