BUSINESS FINANCE DECISION (MODULE : F)

GC	
Consul	tants

No of Marks % of

Consultants	S-14	W-14	1S-13	W-13	S-12	W-12	S-11	W-11	S-10	W-10	S-09	W-09	S-08	W-08	S-07	W-07	S-06	W-06	Qs	Marks	Total
			•																		
INVESTMENT APPRAISAL			r			r		1			r		1								
NPV+IRR+MIRR+Discounted Payback	17				17														2	34	1.9%
International + Taxation Issues	17				17			20		24		27							3	71	3.9%
NPV		15	17				16	17		27		21		10	17		18		7	110	6.1%
Lease vs Buy		10	20	15			12		20				18	18	17		10		6	103	5.7%
Asset Replacement Option			20	10		20	12		20		17		10	10			14		3	51	2.8%
TFCs						20					20						17		1	20	1.1%
11 05											20									20	1.170
DIVIDEND																					
Dividend Irrelevance Theory								15										9	2	24	1.3%
Right Share & Capital Structure						18							15		9				3	42	2.3%
Right share																	9		1	9	0.5%
Dividend growth models																15	12		2	27	1.5%
Right Issue & Price Effect									17			17							2	34	1.9%
WACC + CAPITAL STRUCTURE			r			r	-	-	r		r		-		-						
WACC + Adjusted WACC					19				10										1	19	1.1%
Adjusted Present Value		19	<u> </u>						16										2	35	1.9%
WACC + Cost of equity													10		22				1	22	1.2%
WACC + Market Price	0.7	<u> </u>											12	10					1	12	0.7%
WACC + MM	25													13				20	3	58	3.2%
Different Capital Structure	17			22							15								3	54	3.0%
Interest Cover + MM										23									1	23	1.3%
Debt Equity Ratio							17										_		1	17	0.9%
Debenture & Bonds			20													15	5		3	40	2.2%
Arbritage															10				1	10	0.6%
CAPM + PORTFOLIO																					
Alpha Values										13		20					13		3	46	2.6%
Sharp Ratio							15			10		20					10		1	15	0.8%
Return & Weighted Beta							15						18						1	18	1.0%
Beta Calculations													10	12					1	10	0.7%
Risk+Return+Investment Decision						19								12					1	12	1.1%
Portfolio Analysis				12		19									15			12	3	39	2.2%
				12											10			12		00	2.270
FOREIGN EXCHANGE																					
All Methods (Future+Hedge+Options)			11		14														2	25	1.4%
Options (Call+Put)											12								1	12	0.7%
Hedge (Through Forward Cover)													17					22	2	39	2.2%
Hedge (Forward Cover+Money																					
Market+Multilateral Netting)								14											1	14	0.8%
Hedge (Forward Cover+Money																					
Market+Interest Rate Risk)										20									1	20	1.1%
Hedge (Forward Cover+Money Market)												12							1	12	0.7%
Multilateral Netting				7															1	7	0.4%
Hedge gain + loss																	15		1	15	0.8%
Loan Substituition Option		20																	1	20	1.1%
Interest swap															15				1	15	0.8%
Forward cover + Bulk discount																20			1	20	1.1%

VALUATION																					
FCF+Cash Flow Mag+ Optimum Sale					30													23	2	53	2.9%
FCF + Acquisition	18		25					20											3	63	3.5%
FCF + Synergy									25										1	25	1.4%
Purchase Consideration calculation							25												1	25	1.4%
Merger											21								1	21	1.2%
MBO												24							1	24	1.3%
Demerger (Surplus Value)						25							20						2	45	2.5%
Goowill valuation																	14		1	14	0.8%
Shares as Purchase																					
consideration+EPS+Discount rate										20									1	20	1.1%
Synergy + Cost of Equity + Price																					
Earning Ratio						18													1	18	1.0%
Restructuring				23															1	23	1.3%
Value of Ordinary share + Total value																15			1	15	0.8%
Share exchange/Evaluation		20																	1	20	1.1%
RISK ANALYSIS Decision Tree + NPV Probabilities & Expected Value Interest rate swaps								14			15			10					1 1 1	14 15 10	0.8% 0.8% 0.6%
MISC Investment Mix		14			20										12				3	46	2.6%
Leverage ratios							15												1	15	0.8%
Projected cash flow & dividend payout ratio									22										1	22	1.2%
Sensitivity analysis	23		7											13				14	4	57	3.2%
Forecasting & debt equity ratio														14					1	14	0.8%
Working capital (Strategy + Financing)				21												12			2	33	1.8%
Working Capital Constraints		12																	1	12	0.7%
Minimum rent																23			1	23	1.3%
Injection of fresh equity + Shareholding calculation														10					1	10	0.6%
																400				4 000	

Caveats

This analysis is only for identifying trends in ICAP exams; No decision (of selective study) should be taken only upon this analysis.

The categorization of degree of importance is just based on marks allocation, no other logical reasoning exists

All topics are of equivalent importance as ICAP may ask any topic any time in any detail deemed fit by ICAP

This analysis has been compiled with due care but still it is error prone due to human mistake.

This analysis is upgraded on the analysis made by Sir Atif Abidi.

If you find any mistake, plz mail us by mentioning cell reference at the e-mail address. i.e.gcaconsultants@gmail.com

Talib e doa GCA Admins Global Chartered Accountants - GCA January 08, 2015