

# ABC ANALYSIS OF FINANCIAL MANGEMENT

1. SCOPE AND OBJECTIVES OF FINANCIAL MANGEMENT
  - ✓ BASIC ASPECTS OF FINANCIAL MANGEMENT
  - ✓ MAIN OBJECTIVES OF FINANCIAL MANGEMENT
2. TIME VALUE OF MONEY
  - ✓ READ THE FORMULAE.
  - ✓ SOLVE THE PRACTICE MANUAL QUESTIONS.
3. RATIO ANALYSIS :- ONE PROBLEM  
[READ ALL THE FORMULAE. PREPARE THE BALANCE SHEET WITH AVAILABLE DATA BY USING THE FORMULAE.]
4. WORKING CAPITAL:
  - ✓ WORKING CAPITAL REQUIREMENT OR ESTIMATION OF WORKING CAPITAL
  - ✓ DEBTORS MANAGEMENT
  - ✓ FACTORING
  - ✓ CASH BUDGET
5. CAPITAL BUDGETING:-
  - ✓ NPV-IRR CONFLICT
  - ✓ CAPITAL RATIONING
  - ✓ EAC OR EAI [PROJECTS WITH UNEQUAL LIVES]
6. CAPITAL STRUCTURE DECISIONS
  - ✓ EBIT-EPS INDIFFERENCE POINT
  - ✓ NOI APPROACH
7. COST OF CAPITAL
  - ✓ COMPUTAION OF WACC BASED ON BOOK VALUES OR MARKET VALUES.
8. LEVERAGES
  - ✓ FINANCIAL AND OPERATING LEVERAGE
  - ✓ TRADING ON EQUITY
9. CASH FLOW STATEMENT- INDIRECT METHOD
10. FUNDS FLOW STATEMENT
  - ✓ PREPARATION WORKING CAPITAL STATEMENT
  - ✓ ADJUSTED PROFIT AND LOSS ACCOUNT
  - ✓ STATEMENT OF SOURCE AND APPLICATION OR FUNS FLOW STATEMENT
11. SORUCE OF FINANCE
  - ✓ HYBRID CAPITAL
  - ✓ IDR, ADR, GDR, BRIDGE FINANCE
  - ✓ DEBT SECURITISATION
  - ✓ SEED CAPITAL FINANCE
  - ✓ VENTURE CAPITAL

TIPS TO GET SCORE HIGH IN FM- (1). CONCENTRATE ON THEORY- MOST IMPORTANT [30%]. (2). DO ALL PRACTICE MANUAL QUESTIONS. (3). REVISE ALL FORMULAE ONCE A DAY. (4). MARK & PRACTICE FEW TRICKY SUMS BEFORE EXAMS (5). GIVE PRIORITY TO FM WHWN COMPARED TO COSTING BECAUSE OF ITS VOLUME AND NATURE. (6). PREPARE THE SUMMARY AND REVISE. (7). FIRST COMPLETE SMALL CHAPTERS LIKE LEVERAGE, RATIO ANALYSIS, TIME VALUE OF MONEY, BASIC CONCEPTS. LATERON COVER THE OTHER AREAS