**Baxşıyev Orxan\_Maliyyə təhlili**

1. Why do analyst need to adjust depreciation rates
2. Why do analyst need to adjust R&D
3. Why do we need to capitalise operating lease
4. Explain financial lease
5. Explain operating lease
6. Explain Minimum lease payment
7. Explain the work process of financial system
8. Explain and show asset classes
9. Describe the role of the balance sheet
10. Describe the elements of the balance sheet : assets, liabilities and equity.
11. Explain the differences between current vs non-current asset, current vs non-current liabilities .
12. Explain depreciation and depreciation methods
13. Give an explanation of the valuation of inventory, the rule of lower cost or market, cost of good sold
14. Explain the use of provisions and contingent liabilities
15. Explain the difference between permanent and temporary differences.
16. Describe the role of income statement
17. Describe the role of cash flow statement
18. Distinguish between short term and long term liabilities.
19. Explain allowances.
20. Write the formulas for the Return on equity using DuPont method and explain each formula
21. Why do the analyst need the use of standardized financial statements (give an example).
22. Why do the analyst need ratios? (write down the ratios you know and explain the use of them)
23. Explain the use of Present Value (the formula for calculating present value, and the need of calculating it)
24. Cost flow assumptions (The differences between FIFO vs LIFO and WAC)
25. Explain the classification of cash flows between operating, investing and financing activities.
26. What is deferred tax and why it is needed?
27. Explain the loss carryforwards and carrybacks and the difference between them. (tax related)
28. Explain bonds, loans and their accounting treatment
29. A machine is purchased from the Chinese supplier. Acquisition costs is 10000 USD, residual value of the machine 1000 USD Depreciation amount is 9000 USD. Useful life of machine is 4 years. Calculated straight –line method .
30. What would you prefer ( assume 10% discount) (show calculations)
    1. receive 2200$ in 3 years “ time or,
    2. receive 1100 $ in 1 years “ time plus 1100$ in 2 years time?
31. Explain and show financial markets and features of a good market
32. Give an example of investor types and explain them
33. Give an example of investor objectives and constraints
34. Which steps should analyst take into account in order to make financial analysis (explain every step, give examples).
35. List the factors affecting the Risk Premium
36. What does Efficient Markets Hypothesis imply and does not imply and its forms?
37. Explain three main Approaches to equity valuation
38. List and explain alternative relative valuation technique
39. What are determinants of required rate of return
40. What are risk premium determinants?
41. What does the Gordon growth model assumes?
42. Difference between FCFF and FCFE
43. Describe the roles of financial reporting and financial statements analysis .
44. Describe the steps in the financial statements analysis framework .
45. Describe the roles of the statements of financial position, statement of comprehensive income , statement of changes in equity and statement of cash flows in evaluating a company performance and financial position.
46. Describe the elements of the balance sheet : assets, liabilities and equity.
47. Distinguish between current and non-current asset, current and non-current liabilities .
48. Explain depreciation and depreciation methods
49. Give to the explanation FV, PV and NPV
50. Assume XYZ company invests 100000 USD for machine . The machine cash flows for the first year 300000 USD . The second year is 500000 USD . The third year is 600000 USD.Discount rate 8% . Calculate NPV.
51. Assume ABC company invests 120000 USD for machine . The machine cash flows for the first year 40000 USD . The second year is 50000 USD . The third year is 50000 USD.Discount rate 9% . Calculate NPV.
52. A machine is purchased from the Chinese supplier. Acquisition costs is 10000 USD, residual value of the machine 1000 USD Depreciation amount is 9000 USD. Useful life of machine is 4 years. Calculated straight –line method .
53. A machine is purchased from the Chinese supplier. Acquisition costs is 8000 USD, residual value of the machine 1000 USD Depreciation amount is 7000 USD. Useful life of machine is 4 years . Calculated reducing balance method .
54. On 1 Jan X1, company issues £100m bond at face value with annual coupon at 9%, paid at the end of each year. The principal is repaid on 31 Dec X2. What is the PV of bond on 1 Jan X1 ?
55. In January 20X1 Halfords sells 10,000 high-performance bicycles with a one year warranty which covers manufacturing defects that become apparent within the first 12 months after purchase. Minor defects cost of £200 per unit to repair and major defects cost £1,000 per unit to repair. The entity’s past experience and future expectations indicate that, for the coming year, 85% of the goods sold will have no defects, 10% will have minor defects and 5% of the goods sold will have major defects.
56. For simplicity assume all sales take place on 31.1.X1. By the end of 20X1, 800 units had minor defects and 300 major defects, all of which were repaired.
57. What is expected value of the cost of repairs?
58. What is the value of provision on 31.1.20X1?
59. Google was incorporated in California, USA in September 1998 and has been a private company (not listed) till 2004. In August 2004 the company decided to raise more funds and to open ownership up to a wider audience. The company issued 14,142,135 shares (par value of $0.001) at the price of $85, a total of $1,161.08m. It paid $41.0m for various issuance costs.
60. What is the share capital?
61. What is the share premium?
62. Arthur runs a *legal* gambling operation in his office in Moorgate. In his first year of operation, he buys only a blackjack table for £10,000. The business generates income (cash flows) of £5,000 per year. The depreciation expense on this table is different for financial reporting purposes (book) than for tax purposes. ‘Book’ depreciation expense is £2,000 (5-yr life) ‘Tax’ depreciation (HMRC tax depreciation) expense is £3,800.The statutory tax rate is 25% (ignore VAT).
63. What is the income tax expense?
64. What is the amount payable to HMRC?
65. The company RainEnergy has EBIT of 4020. Investment bank analyst calculated that this company had depreciation expense of 1400. RainEnergy company has sold its non-current asset for 1000 (NBV of this asset was 800). Investment bank analyst had also calculated that decrease in inventory of this company was 400, increase in receivables was 650 and increase in payables was 810, interest paid was 580 and tax paid was 1280. What is cash flow from operations of the RainEnergy?
66. Company X has a non-current asset with a cost of 100$ with a residual value of 20$ for 2011. Useful life is 4 years. The cost of asset for 2010 is 90$. What is average depreciation rate?
67. The company Y has reported PPE cost of 1235$ and accumulated depreciation of 732$ for 2011. If a company were to use depreciation rate that is 20% higher than currently used, what would the revised depreciation and NBV of the asset be?
68. Profit for 2011 is 400$. Total equity for 2010 and 2011 is 133.4$ and 233.4$ respectively. If revised equity for 2011 is 166.6$ What would be ROE (using reported and revised figures)?
69. The company Z has reported total PPE 16000$ and 30$ tax rate. Revaluation adjustment was considered to be 10000$. Reported deferred tax liability is 500. Considering revised PPE and DTL, what is total revised equity?
70. Calculate the present value of a loan using present value for annuities formula that requires three annual payments of 3000$. Assume a discount rate of 5%.
71. Company D reported EBIT of 560$, Net financing cost of 23$ and Tax of 150$ for 2011. (Calculate Net income using EBIT-Net financing cost-tax) MLP of operating lease for the year to January 2011 of 200$. Adjustment made for PPE was 1400 and 1500 for 2010 and 2011 respectively. Consider discount rate of 4%. What is reported and revised EBIT?
72. On 1 June X1, company issues £200m bond at face value with annual coupon at 10%, paid at the end of each year. The principal is repaid on 1 July X2. What is the PV of bond on 1 June X1 assuming discount rate of 5%?
73. The company Linkedin has EBIT of 4000$. Investment bank analyst calculated that this company had depreciation expense of 1000$. The loss from sale of non-current asset was 200$. Investment bank analyst had also calculated that decrease in inventory of this company was 400$, decrease in receivables was 650$ and decrease in payables was 810$, interest paid was 500$ and tax paid was 1200$. What is cash flow from operations of the Linkedin?
74. A machine is purchased from the UK supplier by the company X in 2011. Acquisition costs is 15000$. The company X estimates that after 5 years, the machine can be sold for 5000$ and also, the company CEO thinks that this machine can be used for 5 years in a row. What is depreciation expense for the end of 2011? What is the accumulated depreciation for the end of 2013?
75. The analyst of the Swiss bank want to make a financial analysis of the company L for 2015. He has gathered that the company L has a total sales for 20000$ and also found that the Cost of inventory recognized as an expense is 6000$. Making a deeper analysis, the analyst found out that the closing inventory for 2014 was 4000$ and the year-end inventory for this year is 3000$. The CEO of this company gave a report to the analyst, and in this report it was mentioned that this year the company bought on credit 2000$ worth of goods and last year this figure was 900$. Assets for 2015 are 600$ and last year this figure was 200$.
    * 1. Calculate payables and assets Turnover ratio; and
      2. explain what does the figures gained mean?
76. The company reported net income 5000$. It has also reported that tax and interest expense was 500$ each. During the year, the company paid wages for 1000$. It has also made an administrative expenses for 500$. What is EBIT and gross profit margin using that the company made sales for 10000$?
77. The analyst of the investment bank what to make a financial analysis of the company X for the year 2011. He has gained following information:

Sales for 2011 = 20000 USD

Profit for the year 2011 = 1200 USD

Total assets for 2011 = 25000 USD

Total assets for 2010 = 20000 USD

Equity for 2011 = 40000 USD

Equity for 2010 = 30000 USD

Calculate ROE for the company X using DuPont method .

1. The analyst of the Barclays Bank what to make a financial analysis of the company Y for the 2015. He has gathered following information:

Sales for 2015 = 10000 USD

Cost of inventory recognized as an expense (CoGs) = 5000 USD

Closing Inventory for 2014 = 3000 USD

Closing inventory for 2015= 2000 USD

Payables for 2015 = 1000

Payables for 2014 = 800

Assets for 2015 = 500 USD

Assets for 2014 = 100 USD

Calculate payables Turnover ratio and explain what does the figure gained means?

Calculate assets Turnover ratio and explain what does the figure gained means?

1. The analyst want to make a financial analysis of the company X for the year 2011. He has gained following information:

Sales for 2011 = 30000$

Profit for the year 2011 = 2200$

Total assets for 2011 = 25000$

Total assets for 2010 = 30000$

Equity for 2011 = 50000$

Equity for 2010 = 40000$

Net financing cost = 4000$

Interest=100$

Tax=200$

Calculate Return on equity for the company X using DuPont method; and

Interest coverage ratio.