**Rüstəmova Nigar\_Müəsissə maliyəsi**

1. Describe the main types of legal forms of organizing firms, their characteristics, advantages and disadvantages.
2. Describe the goal of financial management in for-profit corporation
3. What is the main reason that an agency relationship exists in the corporate form of organization? What kind of problems can arise in this context?
4. Who owns a corporation? Describe the process how the owners control the firm’s management.
5. What is time value of money and its role in decision making process on investment opportunities?
6. What is compounding? What is discounting? Describe how present value and future value of an investment is calculated based on these concepts using simple examples
7. What happens to future value of an investment if you increase the length of time? What happens to present value? What happens to future value of an investment if you increase the discount rate? What happens to present value?
8. Calculating future value – problems
9. Calculating according to compounding principle-problems
10. Calculating future value – problems
11. Describe the concepts of risk and return and their relationship within the context of corporate decision making process.(var3)
12. Describe the concepts of variance and standard deviation, their relationship and differences.
13. Calculating total return, dividend yield and capital gain (loss) -problems
14. Calculating average return, variance and standard deviation – problems
15. Calculating holding period return – problems
16. Calculating portfolio’s expected return – problems
17. Describe the differences between systematic risk and unsystematic risk. Give 3 examples to each type of risk.
18. What is diversification and which effects it has on portfolios? Why are some risks diversifiable and why are some risks undiversifiable?
19. What is beta within Capital Asset Pricing Model? What is CAPM (Capital Asset Pricing Model)? Explain your answer using the formula of the CAPM
20. What is a factor model? What is APT (Arbitrage Pricing Theory)? Explain the main principles of the model by using the components of the formula.
21. Compare the CAPM (Capital Asset Pricing Model) and the APT (Arbitrage Pricing Theory). Explain similarities and differences between the theories.
22. What is a derivative? What is the main purpose of using derivatives? Which derivative instruments are used broadly? Describe briefly the characteristics of these securities
23. What is hedging? Which hedging strategies can a corporation implement?
24. What is the difference between a forward contract and a futures contract?
25. Building a hedging strategy – problems
26. Describe the efficient market and its main implications. How a stock price reacts to new information in efficient and inefficient markets?
27. Discuss different types of efficiency and relationship between them.
28. Explain why investments in an efficient market have zero NPVs.
29. All investments obtain the same expected risk-adjusted returns and you can pick investments randomly. Do you agree with this point? Explain your answer.
30. Some researchers argue that the EMH cannot explain financial crises and bubbles. What alternative hypothesis is used for explaining this phenomenon?
31. Explain the concept of capital structure, its main components and sources
32. Explain Modigliani-Miller Theorem Proposition 1. Can a company increase its value by implementing different capital structure choices? Why?
33. What is the main goal of financial management with regard to capital structure?
34. Is debt-equity ratio identified easily? Explain each of the factors, their main characteristics and risks related to them.
35. Company A is considering two different capital structures, an all-equity plan (Plan 1) and a levered plan (Plan 2). The following variables will be distributed to you – number of shares outstanding, amount of debt outstanding, interest rate on debt, EBIT. Compare EPS under each Plan.
36. What is leverage? Explain the difference between return on assets (ROA) and return on equity (ROE) using the concept of leverage.
37. Explain weighted average cost of capital (WACC) and its main components. How are cost of equity and cost of debt determined under this model?
38. Explain Modigliani-Miller Theorem Proposition 2. Do you agree with the statement that higher debt-to-equity ratio results in higher return on equity? Why?
39. Calculating company’s beta.
40. Calculating cost of equity.
41. Calculating debt-to-equity ratio.
42. Describe the limits to the use of debt and explain how costs of financial distress affect company’s value
43. What is a financial distress cost? What are the main types of financial distress cost?
44. What kind of an agency problem occurs between bondholders and stockholders? Explain the strategies taken by stockholders in this situation.
45. How can the cost of debt be reduced? Describe the main strategies and give an example of the strategies used in the banking sector in Azerbaijan.
46. Discuss trade-off theory and pecking-order theory separately. Compare the two theories.
47. Describe the standard process of cash dividend payment in a company.
48. Discuss the irrelevance of dividend policy.
49. What is a share repurchase? Discuss the main ways of share repurchasing. What is the effect of a stock repurchase on a company’s debt-to-equity ratio?
50. Giants such as Google, eBay, Yahoo don’t pay dividends any more. Describe the alternative ways of using excess cash in a company instead of paying dividends.
51. Why some shareholders prefer receiving dividends? What are the main factors affecting high dividend policy? Describe the pros and cons of paying dividends.
52. What is merger? What is acquisition? Describe similarities and differences between these two processes and main participants of these processes.
53. Give an example of an acquisition that occurred during the Financial Crisis of 2007-2009. Discuss the reasons of this acquisition, its main participants and its consequences. Give brief information about the background of the acquired company, its financing and investing activities.
54. What are the main types of acquisitions? Provide an example for each of the type.
55. What is synergy? Discuss its role in value creating process for the company. Discuss the sources of synergy.
56. How the success of the mergers is measured? Discuss short-term measures of success and long-term measures of success.
57. Discuss friendly and hostile takeovers.
58. What is cash conversion cycle? How is it controlled?
59. What is short-term financing? Discuss its main advantages and disadvantages.
60. Discuss the main types of short-term credit sources.
61. Discuss the five C’s principles used to evaluate the credibility of a corporation. Discuss the concept of credit.
62. Discuss the objectives and forms of short-term financing.
63. Discuss the types of issuing securities to the public. Discuss the main differences between them.
64. Describe the main methods of issuing securities for cash.
65. What is the role of investment banks in issuing securities to the public? Explain.
66. What are the main costs of new issues for companies? Explain.
67. Discuss the concept of dilution and its main types.
68. Describe the stages of venture capital financing.
69. What is financial distress and what happens in financial distress? Explain by providing an example.
70. Discuss bankruptcy liquidation and bankruptcy reorganization.
71. How a bankruptcy can be predicted? Discuss the Z-Score Model.
72. Discuss the foreign exchange markets, its main participants and the exchange rates concept. Which types of exchange rates are used in international transactions?
73. Discuss the concept of purchasing power parity and its main types.
74. Which approaches are used by corporations in making international capital budgeting decisions? Explain by giving examples.
75. Discuss exchange rate risk.