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FSA

1. The role of financial statement analysis
2. Analyze company disclosures of significant accounting policies
3. The objective of financial statements
4. The IFRS “Conceptual Framework for Financial Reporting”
5. Accurately explain each of a required reporting element that is used to measure a company’s financial position and one that is used to measure a company’s performance
6. Describe the effects of Inventory Expense Recognition methods to the financial statements (provide a real example)
7. Describe how the choice of depreciation method and assumptions concerning useful life and residual value affect depreciation expense, financial statements, and ratios.
8. Describe tools and techniques used in financial analysis, including their uses and limitations.
9. Describe Common-Size Analysis
10. Demonstrate the application of DuPont analysis of return on equity and calculate and interpret effects of changes in its components.
11. interpret ratios used in equity analysis and credit analysis
12. Describe how the choice of amortisation method and assumptions concerning useful life and residual value affect amortisation expense, financial statements, and ratios.
13. Explain Financial Statement Impact of Finance vs. Operating Leases
14. Explain Ratio Impact of Finance vs. Operating Leases
15. Calculate ROE
16. Calculate ROE using Dupont analyses
17. Calculate asset turnover and inventory turnover
18. Calculate receivables turnover and average collection period
19. Calculate interest coverage ratio
20. ROE using Dupont analyses
21. Calculate return on equity by Dupont
22. Calculate sustainable growth rate g rate
23. What amounts should be capitalized and expensed
24. Calculate net income and net profit margin if the company depreciates the machinery using (a) the straight-line method, (b) the double declining balance method, and (c) the units of production method
25. Calculate the amount did the firm receive from sale
26. Explain the effect of financial and operating leverage on equity return.
27. Explain Discounted Cash Flow method of equity valuation. What is the disadvantage of this method.
28. Explain the concept behind the Residual earnings valuation method. How is firm value calculated using Residual earnings valuation method?
29. Analysis of growth through debt and equity investment
30. Cost of capital for operations; Cost of capital for debt; Cost of capital for equity
31. Discuss the advantages of arbitrage pricing theory (APT) over the capital asset pricing model (CAPM) relative to diversified portfolios.
32. Describe asset-based valuation models and their use in estimating equity value.
33. Describe content of a bond indenture
34. Explain why Price-to-book value ratios are *most appropriate* for measuring the relative values of a Bank
35. Describe major categories of equity valuation models.
36. Describe dividend payment chronology.
37. Explain the rationale for using present value models to value equity and describe free-cash-flow-to-equity models.
38. Explain the rationale for using price multiples to value equity, how the price to earnings multiple relates to fundamentals, and the use of multiples based on comparables
39. Calcuclate DCF
40. Calcuclate FCFE
41. Calcuclate FCFF
42. P/E ratio
43. Calcuclate WACC
44. Calculate TSM
45. multistage dividend discount model
46. Explain highest credit rating and why based on given multiplier ratios
47. Value of ordinary share
48. CAPM
49. Based on assumption select the buy or sell option (based on share price and number of shares
50. Value of the stock

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Student version :

1. Give recommendation about this investment.
2. Analysis of growth through profitability.
3. Explain the difference between Residual income and Residual operating income; Firm value and equity value.
4. From the given find :
5. What was the core return on net operating assets for 2009?
6. Prepare an SF3 forecast of operating income and residual operating income for 2010 based on this financial statement information.
7. Value the equity based on the information.
8. What is the intrinsic enterprise price-to-book ratio?
9. From the given find the following:
10. What is the value of the bond at a 7 percent required return?
11. What is the yield-to-maturity with a market price of $1,000?
12. What is the expected return of buying the bond at a price of $1,000?
13. Does the analyst think that the bond is appropriately priced by the bond market?
14. From the given calculate the followings:
15. What was comprehensive income for the six months?
16. The income statement reported a loss of $18,722 million for the six months. What was “other comprehensive income”?
17. Total expense and other losses in the income statement, including taxes, were $60,895 million. What was revenue for the six months?
18. The firm reported $148,883 million of total assets at the end of 2007 and $136,046 at June 30, 2008. What were total liabilities at these two dates?
19. How can a firm have negative equity?
20. How do you interpret a PEG ratio?
21. Calculate intrinsic price to book ratio.
22. Calculate free cash flow from these reported numbers.
23. What is the difference between clean-surplus accounting and dirty-surplus accounting? Briefly explain dirty and hidden dirty surplus items
24. Based on the relationship between rates of return and leverage, solve the next problems
25. Explain why dividends are not expense and depreciation of plant and equipment is an expense in income statement.
26. Calculate free cash flow. (Financial statements prepared under IFRS and interest payments are reported as financing activities)
27. Calculate Residual earnings for each of the years. Calculate per share value of the equity using your calculations. What is the premium over book value given by your calculation? What is the P/B ratio?
28. From the given figures:
29. What is your best estimate of firm B’s earnings for 2011?
30. Would you pay more, less, or the same for firm B relative to firm A in 2009?
31. Explain the fundamental risk and its drivers.
32. The required return for operations is 10 percent. Forecast residual operating income for these years and, from these forecasts, value the operations and the equity.
33. From the figures:
34. Calculate price-to-sales, price-earnings (P/E), and price-to-book (P/B) ratios for Company1 and Company 2.
35. Company 3 reported the following number for fiscal year

Apply multiples for Company 1 and 2 to price Company 3’s 2,600 million outstanding shares.

1. Answer the following questions and explain your answer:
2. A firm cannot maintain an ROCE less than the required return and stay in business indefinitely. True or false? Explain your answer
3. Information indicates that a firm will earn a return on common equity above its cost of equity capital in all years in the future, but its shares trade below book value. Those shares must be mispriced. True or false?
4. Explain the concept behind Earnings pricing method.
5. Calculate free cash flow and Net financial expense using Method 1 and Method 2.
6. What would cost to shareholders be if company used exercise date accounting method?
7. The following numbers were calculated from the financial statements for a firm for 2009 and 2008:

Explain how much of the change in ROCE from 2008 to 2009 is due to operating activities and how much is due to financing activities

1. Cash Flow Ratios: Cash Conversion Cycle, Cash flow adequacy ratio and cash reinvestment ratio
2. Reformulate this statement to distinguish operating items from financing items and operating income from sales from other operating income. Identify operating income after tax. The firm’s statutory tax rate is 36 percent.