

Question bank table of content

QUESTION CONTENTS

F9-FINANCIAL MANAGEMENT

About the paper

i - ii

Question number	Topic	Name	Marks	Page Numbers	
				Question bank	Solution bank
Section A Financial Management Function					
1	Analysis of shareholding ratios	RZP Co	25	1 - 1	53 - 55
Section B Financial Management Environment					
2	Financial management environment	Tagna	25	3 - 3	57 - 58
Section C Working Capital Management					
3	EOQ and receivables management	Asifco Inc	25	5 - 6	59 - 61
4	Factoring and Invoice discounting	Hudson Ltd	25	6 - 6	62 - 64
5	Working capital management and factoring	Anjo Ltd	25	7 - 8	64 - 66
6	Foreign receivables management	Sprinter Plc	25	8 - 9	66 - 67
7	Discount policy for prompt payment	Ares Ltd	25	9 - 10	68 - 69
8	Early settlement discount	PNP Ltd	25	10 - 10	69 - 71
9	Early settlement discount	Velm Co	25	11 - 11	71 - 73
10	Cash budget and Baumol model	Thorne Co	25	12 - 12	74 - 75
11	Miller-Orr model and credit policy	Ulnad Co	25	12 - 13	76 - 78
12	Overtrading and factoring	Doe Ltd	25	13 - 14	78 - 81
13	EOQ & hedging foreign accounts payable	PKA Co	25	14 - 15	81 - 84
14	EOQ model	TNG Co	25	15 - 15	84 - 86
Section D Investment Appraisal					
15	Proposed investment - NPV and IRR	Charm Inc	25	17 - 17	87 - 89
16	Specific investment decision - NPV	Leaminger Inc	25	18 - 18	89 - 92
17	NPV and IRR	Trecor Co	25	19 - 19	92 - 94
18	NPV and IRR	Duo Co	25	19 - 20	94 - 97
19	Proposed investment - NPV and IRR	Paradise Ltd	25	20 - 21	97 - 99
20	NPV and project evaluation stages	Basril Inc	25	21 - 22	99 - 101
21	Equivalent annual cost and capital rationing	Cavic Ltd	25	22 - 22	101 - 103
22	Sensitivity analysis	Brambling (Electronics Ltd)	25	22 - 23	103 - 104
23	Sensitivity analysis	Umunat Ltd	25	23 - 24	105 - 106

QUESTION CONTENTS

F9-FINANCIAL MANAGEMENT

Section E Business Finance					
24	Finance for small and medium sized entities	Lavinia products Ltd	25	25 - 26	107 - 109
25	Rights issue	Smith Ltd	25	26 - 26	109 - 112
26	Evaluation of a new financial proposal	Arwin Ltd	25	27 - 27	112 - 116
27	Sources of finance	McTee Plc	25	28 - 29	116 - 119
28	Rights issue of shares	Transco Ltd	25	29 - 29	119 - 121
29	Evaluation of sources of finance	Echo Co	25	29 - 30	121 - 125
30	Sources of finance	Tinwen Ltd	25	31 - 31	125 - 128
31	Ratio analysis and sources of finance	TFR Ltd	25	32 - 32	128 - 130
Section F Cost of Capital					
32	Modigliani Miller & capital structure	Nereus and Jarvis Ltd	25	33 - 33	131 - 132
33	Cost of capital	Prin Co	25	34 - 35	132 - 134
34	Modigliani Miller & cost of capital	Gurwin Ltd	25	35 - 36	135 - 136
35	Weighted average cost of capital (WACC)	Droxfol Co	25	36 - 37	136 - 139
36	Cost of capital	Selwyn Ltd	25	37 - 37	139 - 140
37	Weighted average cost of capital (WACC)	Polstron Ltd	25	38 - 38	140 - 143
38	Capital structure	Reliable Ltd	25	38 - 39	143 - 146
Section G Business Valuations					
39	Business valuations	Greenwood Ltd	25	41 - 41	147 - 149
40	Valuation method	Stanzial Inc and Besserlot Ltd	25	42 - 43	149 - 152
41	Business valuation	Oakton Inc and Mallard Inc	25	43 - 44	152 - 154
42	Valuation of shares	Somerville Ltd	25	44 - 45	155 - 156
43	Business valuations	Olivine Ltd and Halle Ltd	25	46 - 47	156 - 158
44	Valuation of business/convertible bond	Phobis Co and Danoca Co	25	47 - 47	158 - 161
45	Valuation of convertible debentures	Techfoots.com	25	48 - 48	161 - 163
Section H Risk Management					
46	Forward and money market hedge	Fleet Plc	25	49 - 49	165 - 167
47	Netting and exchange rate risk management	Shaun Plc	25	50 - 50	167 - 169
48	Forward Rate Agreement (FRA)	Finewater Plc	25	50 - 51	169 - 170
49	Forward Rate Agreement (FRA)	Burnett Plc	25	51 - 52	170 - 172
50	Currency risk management	Nedwen Co	25	52 - 52	172 - 174
Appendix				1 - 4	
Total Page Count :				182	