

1. Record Nr.	UNINA9910154942203321
Autore	Berk Jonathan B. <1962->
Titolo	Corporate finance / / Jonathan Berk, Peter DeMarzo
Pubbl/distr/stampa	Harlow, England : , : Pearson, , [2016] ©2016
Edizione	[Fourth, Global edition.]
Descrizione fisica	1167p. : col. ill., tables
Disciplina	658.15
Soggetti	Corporations - Finance
Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Nota di bibliografia	Includes bibliographical references at the end of each chapters and index.
Nota di contenuto	Cover -- Title Page -- Copyright Page -- Detailed Contents -- PART 1 INTRODUCTION -- Chapter 1 The Corporation -- 1.1 The Four Types of Firms -- Sole Proprietorships -- Partnerships -- Limited Liability Companies -- Corporations -- Tax Implications for Corporate Entities -- Corporate Taxation Around the World -- 1.2 Ownership Versus Control of Corporations -- The Corporate Management Team -- INTERVIEW with David Viniar -- The Financial Manager -- GLOBAL FINANCIAL CRISIS The Dodd-Frank Act -- The Goal of the Firm -- The Firm and Society -- Ethics and Incentives within Corporations -- GLOBAL FINANCIAL CRISIS The Dodd-Frank Act on Corporate Compensation and Governance -- Citizens United v. Federal Election Commission -- Airlines in Bankruptcy -- 1.3 The Stock Market -- Primary and Secondary Stock Markets -- Traditional Trading Venues -- INTERVIEW with Frank Hatheway -- New Competition and Market Changes -- Dark Pools -- MyFinanceLab -- Key Terms -- Further Reading -- Problems -- Chapter 2 Introduction to Financial Statement Analysis -- 2.1 Firms' Disclosure of Financial Information -- Preparation of Financial Statements -- International Financial Reporting Standards -- INTERVIEW with Ruth Porat -- Types of Financial Statements -- 2.2 The Balance Sheet -- Assets -- Liabilities -- Stockholders' Equity -- Market Value Versus Book Value -- Enterprise Value -- 2.3 The Income Statement -- Earnings Calculations -- 2.4 The Statement of Cash Flows -- Operating Activity -- Investment Activity --

Financing Activity -- 2.5 Other Financial Statement Information -- Statement of Stockholders' Equity -- Management Discussion and Analysis -- Notes to the Financial Statements -- 2.6 Financial Statement Analysis -- Profitability Ratios -- Liquidity Ratios -- Working Capital Ratios -- Interest Coverage Ratios -- Leverage Ratios -- Valuation Ratios.

COMMON MISTAKE Mismatched Ratios -- Operating Returns -- The DuPont Identity -- 2.7 Financial Reporting in Practice -- Enron -- WorldCom -- Sarbanes-Oxley Act -- GLOBAL FINANCIAL CRISIS Bernard Madoff's Ponzi Scheme -- Dodd-Frank Act -- MyFinanceLab -- Key Terms -- Further Reading -- Problems -- Data Case -- Chapter 3 Financial Decision Making and the Law of One Price -- 3.1 Valuing Decisions -- Analyzing Costs and Benefits -- Using Market Prices to Determine Cash Values -- When Competitive Market Prices Are Not Available -- 3.2 Interest Rates and the Time Value of Money -- The Time Value of Money -- The Interest Rate: An Exchange Rate Across Time -- 3.3 Present Value and the NPV Decision Rule -- Net Present Value -- The NPV Decision Rule -- NPV and Cash Needs -- 3.4 Arbitrage and the Law of One Price -- Arbitrage -- Law of One Price -- 3.5 No-Arbitrage and Security Prices -- Valuing a Security with the Law of One Price -- An Old Joke -- The NPV of Trading Securities and Firm Decision Making -- Valuing a Portfolio -- GLOBAL FINANCIAL CRISIS Liquidity and the Informational Role of Prices -- Arbitrage in Markets -- Where Do We Go from Here? -- MyFinanceLab -- Key Terms -- Further Reading -- Problems -- Appendix The Price of Risk -- Risky Versus Risk-Free Cash Flows -- Arbitrage with Transactions Costs -- PART 2 TIME, MONEY, AND INTEREST RATES -- Chapter 4 The Time Value of Money -- 4.1 The Timeline -- 4.2 The Three Rules of Time Travel -- Rule 1: Comparing and Combining Values -- Rule 2: Moving Cash Flows Forward in Time -- Rule 3: Moving Cash Flows Back in Time -- Rule of 72 -- Applying the Rules of Time Travel -- 4.3 Valuing a Stream of Cash Flows -- 4.4 Calculating the Net Present Value -- USING EXCEL Calculating Present Values in Excel -- 4.5 Perpetuities and Annuities -- Perpetuities -- Historical Examples of Perpetuities.

COMMON MISTAKE Discounting One Too Many Times -- Annuities -- Formula for an Annuity Due -- Growing Cash Flows -- 4.6 Using an Annuity Spreadsheet or Calculator -- 4.7 Non-Annual Cash Flows -- 4.8 Solving for the Cash Payments -- 4.9 The Internal Rate of Return -- USING EXCEL Excel's IRR Function -- MyFinanceLab -- Key Terms -- Further Reading -- Problems -- Data Case -- Appendix Solving for the Number of Periods -- Chapter 5 Interest Rates -- 5.1 Interest Rate Quotes and Adjustments -- The Effective Annual Rate -- COMMON MISTAKE Using the Wrong Discount Rate in the Annuity Formula -- Annual Percentage Rates -- 5.2 Application: Discount Rates and Loans -- 5.3 The Determinants of Interest Rates -- GLOBAL FINANCIAL CRISIS Teaser Rates and Subprime Loans -- Inflation and Real Versus Nominal Rates -- Investment and Interest Rate Policy -- The Yield Curve and Discount Rates -- The Yield Curve and the Economy -- COMMON MISTAKE Using the Annuity Formula When Discount Rates Vary by Maturity -- INTERVIEW with Kevin M. Warsh -- 5.4 Risk and Taxes -- Risk and Interest Rates -- After-Tax Interest Rates -- 5.5 The Opportunity Cost of Capital -- COMMON MISTAKE States Dig a 3 Trillion Hole by Discounting at the Wrong Rate -- MyFinanceLab -- Key Terms -- Further Reading -- Problems -- Data Case -- Appendix Continuous Rates and Cash Flows -- Discount Rates for a Continuously Compounded APR -- Continuously Arriving Cash Flows -- Chapter 6 Valuing Bonds -- 6.1 Bond Cash Flows, Prices, and Yields -- Bond Terminology -- Zero-Coupon Bonds -- GLOBAL FINANCIAL CRISIS

Negative Bond Yields -- Coupon Bonds -- 6.2 Dynamic Behavior of Bond Prices -- Discounts and Premiums -- Time and Bond Prices -- Interest Rate Changes and Bond Prices -- Clean and Dirty Prices for Coupon Bonds -- 6.3 The Yield Curve and Bond Arbitrage -- Replicating a Coupon Bond. Valuing a Coupon Bond Using Zero-Coupon Yields -- Coupon Bond Yields -- Treasury Yield Curves -- 6.4 Corporate Bonds -- Corporate Bond Yields -- Are Treasuries Really Default-Free Securities? -- Bond Ratings -- Corporate Yield Curves -- 6.5 Sovereign Bonds -- GLOBAL FINANCIAL CRISIS The Credit Crisis and Bond Yields -- GLOBAL FINANCIAL CRISIS European Sovereign Debt Yields: A Puzzle -- INTERVIEW with Carmen M. Reinhart -- MyFinanceLab -- Key Terms -- Further Reading -- Problems -- Data Case -- Case Study -- Appendix Forward Interest Rates -- Computing Forward Rates -- Computing Bond Yields from Forward Rates -- PART 3 VALUING PROJECTS AND FIRMS -- Chapter 7 Investment Decision Rules -- 7.1 NPV and Stand-Alone Projects -- Applying the NPV Rule -- The NPV Profile and IRR -- Alternative Rules Versus the NPV Rule -- INTERVIEW with Dick Grannis -- 7.2 The Internal Rate of Return Rule -- Applying the IRR Rule -- Pitfall #1: Delayed Investments -- Pitfall #2: Multiple IRRs -- COMMON MISTAKE IRR Versus the IRR Rule -- Pitfall #3: Nonexistent IRR -- 7.3 The Payback Rule -- Applying the Payback Rule -- Payback Rule Pitfalls in Practice -- Why Do Rules Other Than the NPV Rule Persist? -- 7.4 Choosing Between Projects -- NPV Rule and Mutually Exclusive Investments -- IRR Rule and Mutually Exclusive Investments -- The Incremental IRR -- When Can Returns Be Compared? -- COMMON MISTAKE IRR and Project Financing -- 7.5 Project Selection with Resource Constraints -- Evaluating Projects with Different Resource Requirements -- Profitability Index -- Shortcomings of the Profitability Index -- MyFinanceLab -- Key Terms -- Further Reading -- Problems -- Data Case -- Appendix Computing the NPV Profile Using Excel's Data Table Function -- Chapter 8 Fundamentals of Capital Budgeting -- 8.1 Forecasting Earnings -- Revenue and Cost Estimates -- Incremental Earnings Forecast. Indirect Effects on Incremental Earnings -- COMMON MISTAKE The Opportunity Cost of an Idle Asset -- Sunk Costs and Incremental Earnings -- COMMON MISTAKE The Sunk Cost Fallacy -- Real-World Complexities -- 8.2 Determining Free Cash Flow and NPV -- Calculating Free Cash Flow from Earnings -- Calculating Free Cash Flow Directly -- Calculating the NPV -- USING EXCEL Capital Budgeting Using a Spreadsheet Program -- 8.3 Choosing Among Alternatives -- Evaluating Manufacturing Alternatives -- Comparing Free Cash Flows for Cisco's Alternatives -- 8.4 Further Adjustments to Free Cash Flow -- GLOBAL FINANCIAL CRISIS The American Recovery and Reinvestment Act of 2009 -- 8.5 Analyzing the Project -- Break-Even Analysis -- Sensitivity Analysis -- INTERVIEW with David Holland -- Scenario Analysis -- USING EXCEL Project Analysis Using Excel -- MyFinanceLab -- Key Terms -- Further Reading -- Problems -- Data Case -- Appendix MACRS Depreciation -- Chapter 9 Valuing Stocks -- 9.1 The Dividend-Discount Model -- A One-Year Investor -- Dividend Yields, Capital Gains, and Total Returns -- The Mechanics of a Short Sale -- A Multiyear Investor -- The Dividend-Discount Model Equation -- 9.2 Applying the Dividend-Discount Model -- Constant Dividend Growth -- Dividends Versus Investment and Growth -- John Burr Williams' Theory of Investment Value -- Changing Growth Rates -- Limitations of the Dividend-Discount Model -- 9.3 Total Payout and Free Cash Flow Valuation Models -- Share Repurchases and the Total Payout Model -- The Discounted Free Cash Flow Model -- 9.4 Valuation Based on

Comparable Firms -- Valuation Multiples -- Limitations of Multiples -- Comparison with Discounted Cash Flow Methods -- Stock Valuation Techniques: The Final Word -- INTERVIEW with Douglas Kehring -- 9.5 Information, Competition, and Stock Prices -- Information in Stock Prices. Competition and Efficient Markets.

Sommario/riassunto

For MBA/graduate students taking a course in corporate finance. An Emphasis on Core Financial Principles to Elevate Individuals' Financial Decision Making Using the unifying valuation framework based on the Law of One Price, top researchers Jonathan Berk and Peter DeMarzo have set the new canon for corporate finance textbooks. Corporate Finance, Fourth Edition blends coverage of time-tested principles and the latest advancements with the practical perspective of the financial manager, so students have the knowledge and tools they need to make sound financial decisions in their careers. For a streamlined book specifically tailored to the topics covered in the first one-semester course, Corporate Finance: The Core is also available by Jonathan Berk and Peter DeMarzo. MyFinanceLab™ not included. Students, if MyFinanceLab is recommended/mandatory component of the course, please ask your instructor for the correct ISBN and course ID. MyFinanceLab should only be purchased when required by an instructor. Instructors, contact your Pearson representative for more information. MyFinanceLab is an online homework, tutorial, and assessment product designed to personalize learning and improve results. With a wide range of interactive, engaging, and assignable activities, students are encouraged to actively learn and retain tough course concepts.
