

Financial Management (F9) December 2009

This syllabus and study guide is designed to help with planning study and to provide detailed information on what could be assessed in any examination session.

THE STRUCTURE OF THE SYLLABUS AND STUDY GUIDE

Relational diagram of paper with other papers

This diagram shows direct and indirect links between this paper and other papers preceding or following it. Some papers are directly underpinned by other papers such as Advanced Performance Management by Performance Management. These links are shown as solid line arrows. Other papers only have indirect relationships with each other such as links existing between the accounting and auditing papers. The links between these are shown as dotted line arrows. This diagram indicates where you are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.

Overall aim of the syllabus

This explains briefly the overall objective of the paper and indicates in the broadest sense the capabilities to be developed within the paper.

Main capabilities

This paper's aim is broken down into several main capabilities which divide the syllabus and study guide into discrete sections.

Relational diagram of the main capabilities

This diagram illustrates the flows and links between the main capabilities (sections) of the syllabus and should be used as an aid to planning teaching and learning in a structured way.

Syllabus rationale

This is a narrative explaining how the syllabus is structured and how the main capabilities are linked.

The rationale also explains in further detail what the examination intends to assess and why.

Detailed syllabus

This shows the breakdown of the main capabilities (sections) of the syllabus into subject areas. This is the blueprint for the detailed study guide.

Approach to examining the syllabus

This section briefly explains the structure of the examination and how it is assessed.

Study Guide

This is the main document that students, tuition providers and publishers should use as the basis of their studies, instruction and materials. Examinations will be based on the detail of the study guide which comprehensively identifies what could be assessed in any examination session. The study guide is a precise reflection and breakdown of the syllabus. It is divided into sections based on the main capabilities identified in the syllabus. These sections are divided into subject areas which relate to the sub-capabilities included in the detailed syllabus. Subject areas are broken down into sub-headings which describe the detailed outcomes that could be assessed in examinations. These outcomes are described using verbs indicating what exams may require students to demonstrate, and the broad intellectual level at which these may need to be demonstrated (*see intellectual levels below).

Reading lists

ACCA has two official publishers: BPP Learning Media and Kaplan Publishing. Both these publishers base their study texts on the detailed contents of the study guides as published by ACCA. ACCA takes no editorial responsibility for the detailed content of these study texts although ACCA examiners will annually review their content for general appropriateness and relevance in supporting effective study towards ACCA examinations. In addition ACCA examiners will recommend other text books where appropriate, which students may read in order to widen their reading beyond the approved study texts. Relevant articles will also be published in *student accountant*.

INTELLECTUAL LEVELS

The syllabus is designed to progressively broaden and deepen the knowledge, skills and professional values demonstrated by the student on their way through the qualification.

The specific capabilities within the detailed syllabuses and study guides are assessed at one of three intellectual or cognitive levels:

Level 1: Knowledge and comprehension

Level 2: Application and analysis

Level 3: Synthesis and evaluation

Very broadly, these intellectual levels relate to the three cognitive levels at which the Knowledge module, the Skills module and the Professional level are assessed.

Each subject area in the detailed study guide included in this document is given a 1, 2, or 3 superscript, denoting intellectual level, marked at the end of each relevant line. This gives an indication of the intellectual depth at which an area could be assessed within the examination. However, while level 1 broadly equates with the Knowledge module, level 2 equates to the Skills module and level 3 to the Professional level, some lower level skills can continue to be assessed as the student progresses through each module and level. This reflects that at each stage of study there will be a requirement to broaden, as well as deepen capabilities. It is also possible that occasionally some higher level capabilities may be assessed at lower levels.

LEARNING HOURS

The ACCA qualification does not prescribe or recommend any particular number of learning hours for examinations because study and learning patterns and styles vary greatly between people and organisations. This also recognises the wide diversity of personal, professional and educational circumstances in which ACCA students find themselves.

Each syllabus contains between 23 and 35 main subject area headings depending on the nature of the subject and how these areas have been broken down.

GUIDE TO EXAM STRUCTURE

The structure of examinations varies within and between modules and levels.

The Fundamentals level examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus.

The Knowledge module is assessed by equivalent two-hour paper based and computer based examinations.

The Skills module examinations are all paper based three-hour papers. The structure of papers varies from ten questions in the *Corporate and Business Law* (F4) paper to four 25 mark questions in *Financial Management* (F9). Individual questions within all Skills module papers will attract between 10 and 30 marks.

The Professional level papers are all three-hour paper based examinations, all containing two sections. Section A is compulsory, but there will be some choice offered in Section B.

The Essentials module papers all have a Section A containing a major case study question with all requirements totalling 50 marks relating to this case. Section B gives students a choice of two from three 25 mark questions.

Section A of each of the Options papers contains 50-70 compulsory marks from two questions, each attracting between 25 and 40 marks. Section B will offer a choice of two from three questions totalling 30-50 marks, with each question attracting between 15 and 25 marks.

For all three hour examination papers, ACCA has introduced 15 minutes reading and planning time.

This additional time is allowed at the beginning of each three-hour examination to allow candidates to read the questions and to begin planning their answers before they start writing in their answer books. This time should be used to ensure that all the information and exam requirements are properly read and understood.

During reading and planning time candidates may only annotate their question paper. They may not write anything in their answer booklets until told to do so by the invigilator.

The pass mark for all ACCA Qualification examination papers is 50%.

GUIDE TO EXAMINATION ASSESSMENT

ACCA reserves the right to examine anything contained within the study guide at any examination session. This includes knowledge, techniques, principles, theories, and concepts as specified.

For the financial accounting, audit and assurance, law and tax papers except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions..

For paper based examinations regulation **issued** or legislation **passed** on or before 30th September annually, will be assessed from June 1st of the following year to May 31st of the year after. Therefore, paper based examinations in June 2009, December 2009 (and March 2010 where applicable) will be assessed on regulations issued and legislation passed on or before 30 September 2008.

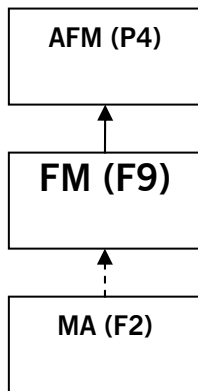
Regulation issued or legislation passed in accordance with the above dates may be examinable even if the **effective** date is in the future.

The term issued or passed relates to when regulation or legislation has been formally approved.

The term effective relates to when regulation or legislation must be applied to an entity transactions and business practices.

The study guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The study guide should therefore be read in conjunction with the examinable documents list.

Syllabus



AIM

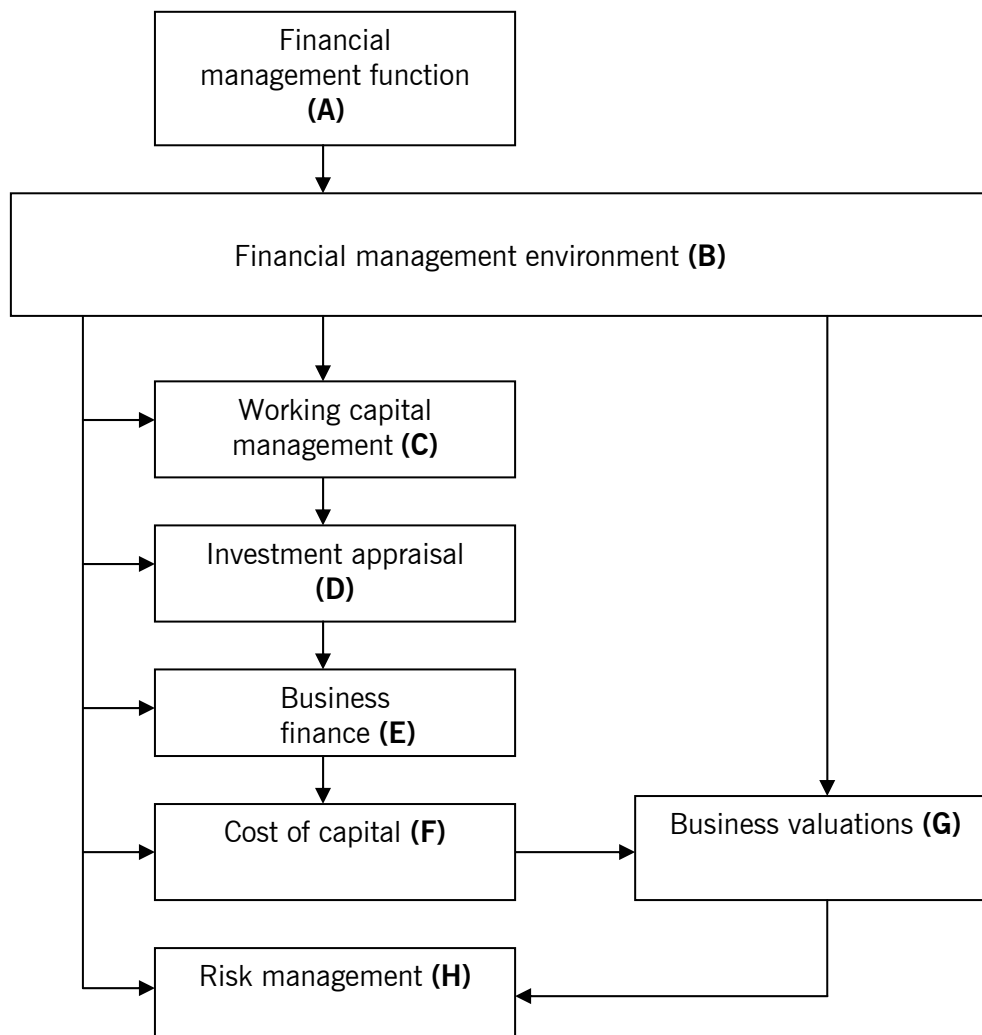
To develop the knowledge and skills expected of a finance manager, in relation to investment, financing, and dividend policy decisions.

MAIN CAPABILITIES

On successful completion of this paper, candidates should be able to:

- A** Discuss the role and purpose of the financial management function
- B** Assess and discuss the impact of the economic environment on financial management
- C** Discuss and apply working capital management techniques
- D** Carry out effective investment appraisal
- E** Identify and evaluate alternative sources of business finance
- F** Explain and calculate the cost of capital and the factors which affect it
- G** Discuss and apply principles of business and asset valuations
- H** Explain and apply risk management techniques in business.

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

The syllabus for Paper F9, *Financial Management*, is designed to equip candidates with the skills that would be expected from a finance manager responsible for the finance function of a business. The paper, therefore, starts by introducing the role and purpose of the financial management function within a business. Before looking at the three key financial management decisions of investing, financing, and dividend policy, the syllabus explores the economic environment in which such decisions are made.

The next section of the syllabus is the introduction of investing decisions. This is done in two stages - investment in (and the management of) working capital and the appraisal of long-term investments.

The next area introduced is financing decisions. This section of the syllabus starts by examining the various sources of business finance, including dividend policy and how much finance can be raised from within the business. Cost of capital and other factors that influence the choice of the type of capital a business will raise then follows. The principles underlying the valuation of business and financial assets, including the impact of cost of capital on the value of business, is covered next.

The syllabus finishes with an introduction to, and examination of, risk and the main techniques employed in the management of such risk.

DETAILED SYLLABUS

A Financial management function

1. The nature and purpose of financial management
2. Financial objectives and relationship with corporate strategy
3. Stakeholders and impact on corporate objectives
4. Financial and other objectives in not-for-profit organisations

B Financial management environment

1. The economic environment for business

2. The nature and role of financial markets and institutions

C Working capital management

1. The nature, elements and importance of working capital
2. Management of inventories, accounts receivable, accounts payable and cash
3. Determining working capital needs and funding strategies

D Investment appraisal

1. The nature of investment decisions and the appraisal process
2. Non-discounted cash flow techniques
3. Discounted cash flow (DCF) techniques
4. Allowing for inflation and taxation in DCF
5. Adjusting for risk and uncertainty in investment appraisal
6. Specific investment decisions (lease or buy; asset replacement, capital rationing)

E Business finance

1. Sources of, and raising short-term finance
2. Sources of, and raising long-term finance
3. Internal sources of finance and dividend policy
4. Gearing and capital structure considerations
5. Finance for Small and Medium-size Entities (SMEs)

F Cost of capital

1. Sources of finance and their relative costs
2. Estimating the cost of equity
3. Estimating the cost of debt and other capital instruments

4. Estimating the overall cost of capital
5. Capital structure theories and practical considerations
6. Impact of cost of capital on investments

G Business valuations

1. Nature and purpose of the valuation of business and financial assets
2. Models for the valuation of shares
3. The valuation of debt and other financial assets
4. Efficient market hypothesis (EMH) and practical considerations in the valuation of shares

H Risk management

1. The nature and types of risk and approaches to risk management
2. Causes of exchange rate differences and interest rate fluctuations
3. Hedging techniques for foreign currency risk
4. Hedging techniques for interest rate risk

APPROACH TO EXAMINING THE SYLLABUS

The syllabus for Paper F9 aims to develop the skills expected of a finance manager who is responsible for the finance function of a business.

The paper also prepares candidates for more advanced and specialist study in Paper P4, *Advanced Financial Management*.

The syllabus is assessed by a three-hour paper-based examination consisting of four compulsory 25-mark questions. All questions will have computational and discursive elements. The balance between computational and discursive content will continue in line with the pilot paper.

Candidates are provided with a formulae sheet and tables of discount and annuity factors.

Study Guide

A FINANCIAL MANAGEMENT FUNCTION

1. The nature and purpose of financial management

- a) Explain the nature and purpose of financial management.^[1]
- b) Explain the relationship between financial management and financial and management accounting.^[1]

2. Financial objectives and the relationship with corporate strategy

- a) Discuss the relationship between financial objectives, corporate objectives and corporate strategy.^[2]
- b) Identify and describe a variety of financial objectives, including:^[2]
 - i) shareholder wealth maximisation
 - ii) profit maximisation
 - iii) earnings per share growth

3. Stakeholders and impact on corporate objectives

- a) Identify the range of stakeholders and their objectives.^[2]
- b) Discuss the possible conflict between stakeholder objectives.^[2]
- c) Discuss the role of management in meeting stakeholder objectives, including the application of agency theory.^[2]
- d) Describe and apply ways of measuring achievement of corporate objectives including:^[2]
 - i) ratio analysis, using appropriate ratios such as return on capital employed, return on equity, earnings per share and dividend per share
 - ii) changes in dividends and share prices as part of total shareholder return
- e) Explain ways to encourage the achievement of stakeholder objectives, including:^[2]

- i) managerial reward schemes such as share options and performance-related pay
- ii) regulatory requirements such as corporate governance codes of best practice and stock exchange listing regulations

4. Financial and other objectives in not-for-profit organisations

- a) Discuss the impact of not-for-profit status on financial and other objectives.^[2]
- b) Discuss the nature and importance of Value for Money as an objective in not-for-profit organisations.^[2]
- c) Discuss ways of measuring the achievement of objectives in not-for-profit organisations.^[2]

B FINANCIAL MANAGEMENT ENVIRONMENT

1. The economic environment for business

- a) Identify and explain the main macroeconomic policy targets.^[1]
- b) Define and discuss the role of fiscal, monetary, interest rate and exchange rate policies in achieving macroeconomic policy targets.^[1]
- c) Explain how government economic policy interacts with planning and decision-making in business.^[2]
- d) Explain the need for, and the interaction with, planning and decision-making in business of:^[1]
 - i) competition policy
 - ii) government assistance for business
 - iii) green policies
 - iv) corporate governance regulation.^[2]

2. The nature and role of financial markets and institutions

- a) Identify the nature and role of money and capital markets, both nationally and internationally.^[2]
- b) Explain the role of financial intermediaries.^[1]
- c) Explain the functions of a stock market and a corporate bond market.^[2]

- d) Explain the nature and features of different securities in relation to the risk/return trade-off.^[2]

C WORKING CAPITAL MANAGEMENT

1. The nature, elements and importance of working capital

- a) Describe the nature of working capital and identify its elements.^[1]
- b) Identify the objectives of working capital management in terms of liquidity and profitability, and discuss the conflict between them.^[2]
- c) Discuss the central role of working capital management in financial management.^[2]

2. Management of inventories, accounts receivable, accounts payable and cash

- a) Explain the cash operating cycle and the role of accounts payable and accounts receivable.^[2]
- b) Explain and apply relevant accounting ratios, including:^[2]
 - i) current ratio and quick ratio
 - ii) inventory turnover ratio, average collection period and average payable period
 - iii) sales revenue/net working capital ratio
- c) Discuss, apply and evaluate the use of relevant techniques in managing inventory, including the Economic Order Quantity model and Just-in-Time techniques.^[2]
- d) Discuss, apply and evaluate the use of relevant techniques in managing accounts receivable, including:
 - i) assessing creditworthiness^[1]
 - ii) managing accounts receivable^[1]
 - iii) collecting amounts owing^[1]
 - iv) offering early settlement discounts^[2]
 - v) using factoring and invoice discounting^[2]
 - vi) managing foreign accounts receivable^[2]
- e) Discuss and apply the use of relevant techniques in managing accounts payable, including:
 - i) using trade credit effectively^[1]

- ii) evaluating the benefits of discounts for early settlement and bulk purchase^[2]
- iii) managing foreign accounts payable^[1]

- f) Explain the various reasons for holding cash, and discuss and apply the use of relevant techniques in managing cash, including:^[2]
 - i) preparing cash flow forecasts to determine future cash flows and cash balances
 - ii) assessing the benefits of centralised treasury management and cash control
 - iii) cash management models, such as the Baumol model and the Miller-Orr model
 - iv) investing short-term

3. Determining working capital needs and funding strategies

- a) Calculate the level of working capital investment in current assets and discuss the key factors determining this level, including:^[2]
 - i) the length of the working capital cycle and terms of trade
 - ii) an organisation's policy on the level of investment in current assets
 - iii) the industry in which the organisation operates
- b) Describe and discuss the key factors in determining working capital funding strategies, including:^[2]
 - i) the distinction between permanent and fluctuating current assets
 - ii) the relative cost and risk of short-term and long-term finance
 - iii) the matching principle
 - iv) the relative costs and benefits of aggressive, conservative and matching funding policies
 - v) management attitudes to risk, previous funding decisions and organisation size^[1]

D INVESTMENT APPRAISAL

1. The nature of investment decisions and the appraisal process

- a) Distinguish between capital and revenue expenditure, and between non-current assets and working capital investment.^[2]
- b) Explain the role of investment appraisal in the capital budgeting process.^[2]

- c) Discuss the stages of the capital budgeting process in relation to corporate strategy.^[2]

2. Non-discounted cash flow techniques

- a) Identify and calculate relevant cash flows for investment projects.^[2]
- b) Calculate payback period and discuss the usefulness of payback as an investment appraisal method.^[2]
- c) Calculate return on capital employed (accounting rate of return) and discuss its usefulness as an investment appraisal method.^[2]

3. Discounted cash flow (DCF) techniques

- a) Explain and apply concepts relating to interest and discounting, including:^[2]
 - i) the relationship between interest rates and inflation, and between real and nominal interest rates
 - ii) the calculation of future values and the application of the annuity formula
 - iii) the calculation of present values, including the present value of an annuity and perpetuity, and the use of discount and annuity tables
 - iv) the time value of money and the role of cost of capital in appraising investments
- b) Calculate net present value and discuss its usefulness as an investment appraisal method.^[2]
- c) Calculate internal rate of return and discuss its usefulness as an investment appraisal method.^[2]
- d) Discuss the superiority of DCF methods over non-DCF methods.^[2]
- e) Discuss the relative merits of NPV and IRR.^[2]

4. Allowing for inflation and taxation in DCF

- a) Apply and discuss the real-terms and nominal-terms approaches to investment appraisal.^[2]
- b) Calculate the taxation effects of relevant cash flows, including the tax benefits of capital

allowances and the tax liabilities of taxable profit.^[2]

- c) Calculate and apply before- and after-tax discount rates.^[2]

5. Adjusting for risk and uncertainty in investment appraisal

- a) Describe and discuss the difference between risk and uncertainty in relation to probabilities and increasing project life.^[2]
- b) Apply sensitivity analysis to investment projects and discuss the usefulness of sensitivity analysis in assisting investment decisions.^[2]
- c) Apply probability analysis to investment projects and discuss the usefulness of probability analysis in assisting investment decisions.^[2]
- d) Apply and discuss other techniques of adjusting for risk and uncertainty in investment appraisal, including:
 - i) simulation^[1]
 - ii) adjusted payback^[1]
 - iii) risk-adjusted discount rates^[2]

6. Specific investment decisions (Lease or buy; asset replacement; capital rationing)

- a) Evaluate leasing and borrowing to buy using the before-and after-tax costs of debt.^[2]
- b) Evaluate asset replacement decisions using equivalent annual cost.^[2]
- c) Evaluate investment decisions under single-period capital rationing, including:^[2]
 - i) the calculation of profitability indexes for divisible investment projects
 - ii) the calculation of the NPV of combinations of non-divisible investment projects
 - iii) a discussion of the reasons for capital rationing

E BUSINESS FINANCE

1. Sources of and raising short-term finance

- a) Identify and discuss the range of short-term sources of finance available to businesses, including: ^[2]
 - i) overdraft
 - ii) short-term loan
 - iii) trade credit
 - iv) lease finance

2. Sources of and raising, long-term finance

- a) Identify and discuss the range of long-term sources of finance available to businesses, including: ^[2]
 - i) equity finance
 - ii) debt finance
 - iii) lease finance
 - iv) venture capital
- b) Identify and discuss methods of raising equity finance, including: ^[2]
 - i) rights issue
 - ii) placing
 - iii) public offer
 - iv) stock exchange listing

3. Internal sources of finance and dividend policy

- a) Identify and discuss internal sources of finance, including: ^[2]
 - i) retained earnings
 - ii) increasing working capital management efficiency
- b) Explain the relationship between dividend policy and the financing decision ^[2]
- c) Discuss the theoretical approaches to, and the practical influences on, the dividend decision, including: ^[2]
 - i) legal constraints
 - i) liquidity
 - ii) shareholder expectations
 - v) alternatives to cash dividends

4. Gearing and capital structure considerations

- a) Identify and discuss the problem of high levels of gearing ^[2]

- b) Assess the impact of sources of finance on financial position and financial risk using appropriate measures, including:
 - i) ratio analysis using balance sheet gearing, operational and financial gearing, interest coverage ratio and other relevant ratios ^[2]
 - ii) cash flow forecasting ^[2]
 - iii) effect on shareholder wealth ^[2]

5. Finance for small and medium sized entities (SMEs)

- a) Describe the financing needs of small businesses. ^[2]
- b) Describe the nature of the financing problem for small businesses in terms of the funding gap, the maturity gap and inadequate security. ^[2]
- c) Explain measures that may be taken to ease the financing problems of SMEs, including the responses of government departments and financial institutions. ^[1]
- d) Identify appropriate sources of finance for SMEs and evaluate the financial impact of different sources of finance on SMEs. ^[2]

F COST OF CAPITAL

1. Sources of finance and their relative costs

- a) Describe the relative risk-return relationship and the relative costs of equity and debt. ^[2]
- b) Describe the creditor hierarchy and its connection with the relative costs of sources of finance. ^[2]

2. Estimating the cost of equity

- a) Apply the dividend growth model and discuss its weaknesses. ^[2]
- b) Apply the capital asset pricing model (CAPM) and describe and explain the assumptions and components of the CAPM. ^[2]
- c) Explain and discuss the advantages and disadvantages of the CAPM. ^[2]

3. Estimating the cost of debt and other capital instruments

- a) Calculate the cost of capital of a range of capital instruments, including:^[2]
 - i) irredeemable debt
 - ii) redeemable debt
 - iii) convertible debt
 - iv) preference shares
 - v) bank debt

4. Estimating the overall cost of capital

- a) Distinguish between average and marginal cost of capital.^[2]
- b) Calculate the weighted average cost of capital (WACC) using book value and market value weightings.^[2]

5. Capital structure theories and practical considerations

- a) Describe the traditional view of capital structure and its assumptions.^[2]
- b) Describe the views of Miller and Modigliani on capital structure, both without and with corporate taxation, and their assumptions.^[2]
- c) Identify a range of capital market imperfections and describe their impact on the views of Miller and Modigliani on capital structure.^[2]
- d) Explain the relevance of pecking order theory to the selection of sources of finance.^[1]

6. Impact of cost of capital on investments

- a) Explain the relationship between company value and cost of capital.^[2]
- b) Discuss the circumstances under which WACC can be used in investment appraisal.^[2]
- c) Discuss the advantages of the CAPM over WACC in determining a project-specific cost of capital.^[2]
- d) Apply the CAPM in calculating a project-specific discount rate.^[2]

G BUSINESS VALUATIONS

1. Nature and purpose of the valuation of business and financial assets

- a) Identify and discuss reasons for valuing businesses and financial assets.^[2]
- b) Identify information requirements for valuation and discuss the limitations of different types of information.^[2]

2. Models for the valuation of shares

- a) Asset-based valuation models, including:^[2]
 - i) net book value (balance sheet basis).
 - ii) net realisable value basis.
 - iii) net replacement cost basis.
- b) Income-based valuation models, including:^[2]
 - i) price/earnings ratio method.
 - ii) earnings yield method.
- c) Cash flow-based valuation models, including:^[2]
 - i) dividend valuation model and the dividend growth model.
 - ii) discounted cash flow basis.

3. The valuation of debt and other financial assets

- a) Apply appropriate valuation methods to:^[2]
 - i) irredeemable debt
 - ii) redeemable debt
 - iii) convertible debt
 - iv) preference shares

4. Efficient Market Hypothesis (EMH) and practical considerations in the valuation of shares

- a) Distinguish between and discuss weak form efficiency, semi-strong form efficiency and strong form efficiency.^[2]
- b) Discuss practical considerations in the valuation of shares and businesses, including:^[2]
 - i) marketability and liquidity of shares
 - ii) availability and sources of information
 - iii) market imperfections and pricing anomalies
 - iv) market capitalisation

- c) Describe the significance of investor speculation and the explanations of investor decisions offered by behavioural finance ^[1]

H RISK MANAGEMENT

1. The nature and types of risk and approaches to risk management

- a) Describe and discuss different types of foreign currency risk:^[2]
 - i) translation risk
 - ii) transaction risk
 - iii) economic risk
- b) Describe and discuss different types of interest rate risk:^[1]
 - i) gap exposure
 - ii) basis risk

2. Causes of exchange rate differences and interest rate fluctuations

- a) Describe the causes of exchange rate fluctuations, including:
 - i) balance of payments ^[1]
 - ii) purchasing power parity theory ^[2]
 - iii) interest rate parity theory ^[2]
 - iv) four-way equivalence ^[2]
- b) Forecast exchange rates using:^[2]
 - i) purchasing power parity
 - ii) interest rate parity
- c) Describe the causes of interest rate fluctuations, including: ^[2]
 - i) structure of interest rates and yield curves
 - ii) expectations theory
 - iii) liquidity preference theory
 - iv) market segmentation

3. Hedging techniques for foreign currency risk

- a) Discuss and apply traditional and basic methods of foreign currency risk management, including:
 - i) currency of invoice ^[1]
 - ii) netting and matching ^[2]
 - iii) leading and lagging ^[2]
 - iv) forward exchange contracts ^[2]
 - v) money market hedging ^[2]
 - vi) asset and liability management ^[1]

- b) Compare and evaluate traditional methods of foreign currency risk management.^[2]

- c) Identify the main types of foreign currency derivatives used to hedge foreign currency risk and explain how they are used in hedging.^[1]
(No numerical questions will be set on this topic)

4. Hedging techniques for interest rate risk

- a) Discuss and apply traditional and basic methods of interest rate risk management, including:
 - i) matching and smoothing ^[1]
 - ii) asset and liability management ^[1]
 - ii) forward rate agreements ^[2]
- b) Identify the main types of interest rate derivatives used to hedge interest rate risk and explain how they are used in hedging.^[1]
(No numerical questions will be set on this topic)

READING LIST

ACCA's official publishers:

BPP Learning Media

Contact number: +44(0)20 8740 2222

Website: www.bpp.com

Kaplan Publishing

Contact number: +44(0)118 989 0629

Website: www.kaplanpublishing.co.uk

Additional reading:

A Griffiths, D Wall, Applied Economics
(11th edition) FT Prentice Hall
ISBN 978-0-273-70822-3 / 0-273-70822-3

D Watson, A Head, Corporate Finance: Principles
and Practice (4th edition)
FT Prentice Hall ISBN 0273706446

J Van Horne, J Wachowicz, Fundamentals of
Financial Management (13th edition)
FT Prentice Hall
ISBN 0-273-71363-9 / 978-0-273-71363-0

Alternative reading:

Accountancy Tuition Centre (ATC) International
Contact : info@atc-global.com
Website: www.atc-global.com

International Financial Publishing Limited
Contact number: +44 (0)1344 751674
Website: www.ifpbooks.com

Wider reading is also desirable, especially regular
study of relevant articles in ACCA's Student
Accountant.