Introduction

This book is aimed at students who have only an elementary knowledge of financial concepts. It considers the following big decisions that all companies have to address:

1. how to raise capital
2. how to decide in which projects to invest the capital
3. how to determine the distribution of excess cash flows
4. how to manage risk

This book deals with all of these questions.

My philosophy regarding the teaching of finance is that it is a real-life subject and an applied discipline. The approach in this book follows this philosophy. Where applicable, real-world examples are provided and, where appropriate, examples are supported by spreadsheet solutions. To help with your understanding, please view the Excel solution for each exercise and example, and determine for yourself how the answer changes when key input data is varied.

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Jason Laws, January 2018