

NEW FEATURES OF THE NINTH EDITION

THE AUTHORS OF THIS EDITION OF BUSINESS FINANCE HAD THE FOLLOWING OBJECTIVES:

- To thoroughly update the text to reflect new developments and changing conditions in the world of finance
- To update data and discussion from the results of empirical evidence
- To thoroughly review the text, simplifying and expanding as required, to ensure that it meets the needs of today's students
- To add new problems in key chapters

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CHAPTER 14

- New empirical evidence and comment on pecking order and trade-off theories
- New section on evidence from dual issues and spin-offs

CHAPTER 15

- Expanded discussion regarding empirical evidence on expected rate of return on the market portfolio

CHAPTER 6

- New *Finance in Action* feature on higher education loan program

CHAPTER 7

- New *Finance in Action* feature on value at risk
- Updated data
- Substantially reorganised and updated section on asset pricing models

CHAPTER 8

- Discussion of implications of Basel
- New and updated data

CHAPTER 9

- Chapter updated and reorganised, particularly in the areas of debtor finance, money markets and short-term marketable debt
- New *Finance in Action* feature on Moody's rates WMC issue

CHAPTER 10

- Substantially rewritten and reorganised for greater ease of understanding
- Additional information on the characteristics of ordinary shares (fully paid or partly paid)
- Greatly expanded section on categories and rights of preference shares, with reference to regulatory information
- New section on private equity including interesting statistics on the extent of this market
- New section on public vs. private ownership of companies
- New statistics and empirical evidence on IPOs
- Updated data on recent rights issues
- New section on share purchase plans
- New section on choosing between equity raising methods

CHAPTER 11

- Substantially rewritten
- Major new section on project finance
- Updated discussion on characteristics and different types of long-term loans and marketable long-term debt, plus statistics and examples
- Updated section on security for debt
- Updated section on characteristics and features of long-term loans
- New section on reasons that businesses use long-term loans, with supporting data
- New information on Australian corporate bond market, with data on long-term non-government debt outstanding
- New sections on why companies issue preference shares and convertible notes (citing empirical evidence)

CHAPTER 12

- 'Difficult' sections rewritten for greater clarity and understanding
- New information on New Zealand imputation tax system
- Expanded discussion regarding empirical evidence on value of franking credits, on information effects and signalling to investors, agency costs and reasons for share repurchase
- Two new *Finance in Action* features on agency costs at Telstra and CBA's 2004 off-market share buy-back
- New sections on agency costs, asymmetric information, dividend policy and firm life cycle

CHAPTER 13

- Expanded discussion on Jensen's free cash flow theory

CHAPTER 16

- Updated statistical and statutory information
- Increased discussion on leasing and agency costs
- Inclusion of chattel mortgages

CHAPTER 17

- Increased inclusion of empirical evidence throughout
- Increased discussion of 'beating the market'

CHAPTER 18

- Statistics updated
- New *Finance in Action* feature on the 30-day interbank cash rate futures contract (including a worked example)

CHAPTER 19

- Updated statistics
- New data and discussion on put option pricing
- Expanded discussion, examples and assessment of the Black-Scholes model
- Two new *Finance in Action* features on share price volatility and unusual use of options

CHAPTER 20

- Takeover defenses expanded to include guidance note issued by the Takeover Panel
- New 'real world' examples included to illustrate material on poison pills, acquisition by friendly parties, and disclosures of favourable information
- Updated information and new empirical evidence on the effects of takeover defense, divestiture and gains from takeovers
- Updated material and new *Finance in Action* feature on buyouts

CHAPTER 21

- Updated statistical information throughout
- Updated information on size of the foreign exchange market in Australia, including hot potato model of currency dealing
- Updated empirical evidence on purchasing power parity
- New *Finance in Action* feature on forecasting exchange rates
- Expanded and reorganised section on risks and reasons for foreign currency borrowing, with new *Finance in Action* feature on Treasury's currency swaps
- New sections on access to a broader range of investors, hedging efficiency and diversification
- Substantially updated and rewritten sections on borrowing overseas (the market structure and choices)
- New section on Eurobond issues by Australian and New Zealand companies including growth of the Uridashi market
- New information on growth of the Kangaroo bond market

CHAPTER 22

- Amalgamation of Chapters 22 (Management of short-term assets: an introduction) and 23 (Inventory management) from the 8e into one new chapter. This reflects the decreasing inclusion of the topics in business finance courses today and allows for the inclusion of new and relevant information in other chapters

CHAPTER 23

- Amalgamation of Chapters 24 (Liquidity management) and 25 (Accounts receivable management) from the 8e into one new chapter. This reflects the decreasing inclusion of the topics in business finance courses today and allows for the inclusion of new and relevant information in other chapters