The question about capital structure is one of the most important issues which the management of a company faces in implementing their daily business. Therefore, the question of which factors affect capital structure decisions attracts high attention in the past and recent literature on capital structure. There are many papers providing valuable insights into capital structure choices, starting with the paper of Modigliani and Miller (1958). The MM-Theorem is generally considered a purely theoretical result since it ignores important factors in the capital structure decision like bankruptcy costs, taxes, agency costs and information asymmetry. Based on this paper many other theories which consider factors neglected by Modigliani and Miller have been evolved. Two major theories are the Tradeoff- and the Pecking-Order-Theory. The former loosens assumptions stated in the MM-Theorem by including bankruptcy costs and taxes while the latter introduces information asymmetry into the capital structure discussion. Chapter 2.1 will give a brief overview of these theories. For complexity reasons these models cannot capture all relevant factors affecting the capital structure policy of a company. However, all these theories disregard one crucial factor which plays an important role on capital markets all over the world. The significance of Credit Ratings is gradually increasing, and
it is doing so in many respects. This paper focuses on the Credit Rating-Capital Structure-Hypotheses (CRCS) developed by Darren J. Kisgen as a modern approach to the capital structure discussion. The hypothesis argues that credit ratings have an impact on capital structure decisions due to discrete costs (benefits) associated with a rating change. Firstly,

**Modern Economic Theory**

The theory of capital structure is one of the most exciting and complex topics in corporate finance. After many years of debate it is still extremely difficult to provide a conclusive answer to the question which capital structure maximises the value of a company and what factors determine the optimal mix of debt and equity capital. This book provides a comprehensive introduction to capital structure theory and investigates its practical relevance in the German market. The main objectives are to explore the link between capital structure theory and corporate practice and to test determinants of capital structure choice empirically. The book has been written for students, researchers, and academics, but also for practitioners seeking empirical evidence of capital structure theory and an empirical model that can be used to estimate the optimal level of debt for an individual company in relation to an existing industry optimum.

**Sustainability Reporting, Ethics, and Strategic Management Strategies for Modern Organizations**

The product of more than 10 years of research, Transformation of China’s Modern Banking System provides a detailed study of the evolution of China’s banking system from the late Qing era (1840s) through the Republican era (1930s). Transformation of China’s Modern Banking System offers a unique and comprehensive analysis of the financing structure, governance structure, incentive and restraint mechanisms, and structural changes of China’s modern banking system. Lan Rixu uses historical evidence to show how the transformation of China’s modern banking system reflected an acute awareness of the practical reality of modern Chinese bankers. The author details the systematic changes in China’s banking system during the chaotic period when traditional China met the West. Transformation of China’s Modern Banking System is a winner of the Second Financial Book Awards, the Golden Goat Awards, co-organized by China Finance, China (Guangzhou) International Finance Expo, and the Finance Affairs Office of Guangzhou.

**Structured Finance and Insurance**

Current modern companies, which are also the key factors of a global economy, are subject to increasing pressures to conduct their business in an environmentally responsible manner, due to social and environmental problems. Improving long-term environmental performance can bring economic benefits to those companies that are innovative and environmentally sensitive, especially by integrating environmental information into their business strategies. Considering all the changes, sustainability reporting, management, and financial accounting becomes a powerful
information tool for executives, managers, and employee teams to gain insights and make better decisions. Along with concepts such as ethical, controlling, auditing, management, and financial accounting, reporting provides value with the decision-making process. All these debates underline the major responsibility of users when configuring accounting and finance models and thereby in modelling business information. Sustainability Reporting, Ethics, and Strategic Management Strategies for Modern Organizations proposes an interdisciplinary perspective and explores various theoretical and practical approaches of ethical standards, management accounting, and their impact in the 21st century on different areas of activity. It contrasts external financial accounting for government regulators and the investment community with internal management accounting for managers to leverage for decision making. In addition, the book examines the role of management accounting and sustainability reporting from other points of view such as ethical standards, corporate social responsibility, creative accounting, green accounting, environmental indicators, e-accounting, KPI, lean accounting, controlling, auditing, reporting, etc., offering a number of new insights into management accounting. It is intended for chief financial officers, financial controllers, business analysts, financial planners, financial analysts, budgeting managers, executives, managers, academicians, researchers, and students.

**Advances in Financial Planning and Forecasting (New Series) Vol.6**

This monograph is devoted to a modern theory of capital cost and capital structure created by this book’s authors, called the Brusov–Filatova–Orekhova (BFO) theory, and its application to the real economy. BFO theory promises to replace the traditional theory of capital cost and capital structure by Nobel laureates Modigliani and Miller. This new theory in particular, presents a possible explanation to the causes of the recent global financial crisis. The authors of the book describe the general theory of capital cost and capital structure that can be applied to corporations of arbitrary age (or with arbitrary lifetime) and investment projects with arbitrary duration. The authors illustrate their theory with examples from corporate practice and develop investment models that can be applied by companies in their financial operations. This updated second edition includes new chapters devoted to the application of the BFO theory in ratings, banking and other areas. The authors also provide a new approach to rating methodology highlighting the need for including financial flow discounting, the incorporation of rating parameters (in particular, financial ratios) into the modern theory of capital structure - BFO theory. This book aims to change our understanding of corporate finance, investments, taxation and rating procedures. The authors emphasize that the most used principles of financial management should be changed in accordance to BFO theory.

**Mezzanine Capital in Europe**

Despite a clear distinction in law between equity and debt, the results of such a categorization can be misleading. The growth of financial innovation in recent decades necessitates the allocation of control and cash-flow rights in a way that diverges from the classic understanding. Some of the financial instruments issued by companies, so-called hybrid instruments, fall into a grey area between debt and equity, forcing regulators to look beyond the legal form of an instrument to its practical substance. This innovative study, by emphasizing the agency relations and the property law
The Fairshare Model

Capital structure theory is one of the most dynamic areas of finance and forms the basis for modern thinking on the capital structure of firms. Much controversy has resulted from comparisons of the theory of capital structure originally developed by Franco Modigliani and Merton Miller to real-world situations. Two competing theories have emerged over the years, the optimal capital structure theory and the pecking order theory. Arvin Ghosh begins with an overview of the controversies regarding capital structure theories, and then statistically tests both the optimal capital structure and pecking order theories. Using the binomial approach he analyzes the determinants of capital structure while discussing the role of market power in determining capital structure decisions. Ghosh probes the questions of new stock offerings and stockholders' returns, and analyzes capital structure and executive compensation. He then looks into debt financing ownership structure, and the controversial relationship between capital structure and firm profitability. Finally, he discusses the latest developments in the field of capital structure. A concise overview of a major issue in business economics and finance, this volume provides a fuller understanding of capital structure influence on the financial performance of firms, and will certainly stimulate further debate. While hundreds of scholarly articles have been written on the subject this is the first book to test competing theories against measurements of firms' performance and their underlying capital structure.

Capital Structure and Corporate Governance
Time and Money argues persuasively that the troubles which characterise modern capital-intensive economies, particularly the episodes of boom and bust, may best be analysed with the aid of a capital-based macroeconomics. The primary focus of this text is the intertemporal structure of capital, an area that until now has been neglected in favour of labour and money-based macroeconomics.

**An Introduction to Modern Financial Theory**

Capital structure theory is one of the most dynamic areas of finance and forms the basis for modern thinking on the capital structure of firms. Much controversy has resulted from comparisons of the theory of capital structure originally developed by Franco Modigliani and Merton Miller to real-world situations. Two competing theories have emerged over the years, the optimal capital structure theory and the pecking order theory. Arvin Ghosh begins with an overview of the controversies regarding capital structure theories, and then statistically tests both the optimal capital structure and pecking order theories. Using the binomial approach he analyzes the determinants of capital structure while discussing the role of market power in determining capital structure decisions. Ghosh probes the questions of new stock offerings and stockholders' returns, and analyzes capital structure and executive compensation. He then looks into debt financing ownership structure, and the controversial relationship between capital structure and firm profitability. Finally, he discusses the latest developments in the field of capital structure. A concise overview of a major issue in business economics and finance, this volume provides a fuller understanding of capital structure influence on the financial performance of firms, and will certainly stimulate further debate. While hundreds of scholarly articles have been written on the subject this is the first book to test competing theories against measurements of firms' performance and their underlying capital structure.

**Credit Rating and the Impact on Capital Structure**

Innovation and cost management are the key requirements for companies to survive the current global economic crisis. Cost management not only leads to incremental performance improvement but also to transformational change across the value chain. Cost management is viewed as part of a larger business process to influence decisions on pricing and profitability across several dimensions: product, customer, region, and distribution channel. In this book you can learn how your costing process aligns with industry best practices, and be on the leading edge of emerging practices such as value chain costing, shared services costing and outsourcing. This book also tells us how cost management and accounting are being put into practice.

**Target Leverage and Capital Structure Adjustment Speed Across German Industries**

Inhaltsangabe: Abstract: In corporate finance two major decisions have to be made. One is the investment decision which means companies must decide which available opportunities they should invest in. The other one, the financing decision, also known as the capital structure decision, tries to answer the question of from where the money to finance
investment projects should come. Money can either be raised internally, through retained earnings, or externally. Mezzanine capital, as a special type of external finance, therefore falls into the area of the financing decision. Although the use of mezzanine capital has increased in Europe in recent years, this special type of finance is still relatively unknown in some countries. Therefore, the purpose of my thesis is to familiarise the reader with this particular type of finance. It is structured in a way that it sequentially deals with the following questions: How did mezzanine develop? Can it offer an advantage compared to financing only with debt and equity? Which basic types of mezzanine instruments exist and how are they valued? Where and where is mezzanine used? At the end, an example of a management buy-out in which mezzanine is used is provided. This will give important insights into the practical use of multiples to structure the deal, the mezzanine investment process, the investment criteria and the various exit routes that exist. The paper will be concluded with an overview on the European mezzanine landscape and on how recent stock market developments and the new Basel capital accord (Basel II) may impact the future of mezzanine capital. Special terminology or important information that is used in the private equity area is written in bold letters if mentioned for the first time in the text. The issue of a convertible promissory note to raise funds to build a canal in the UK is believed to be the first mezzanine instrument. It was issued in 1798 by the Company of proprietors to the Canal Navigation from Manchester to or near Ashton-under-Lyne and Oldham. However, the idea of converting debt into equity was already used after the War of Spanish Succession when in 1711 the British government had a heavy debt burden. As the debt was trading at a substantial discount it made the refinancing more difficult. A solution was found in creating a new body, the South Sea Company, whose newly issued shares were to be swapped for £9.5m of floating debt - thereby reducing the interest.[]

**Financial Structure and Economic Growth**

This Edition Includes Several New Topics To Make The Coverage More Comprehensive And Contemporary. Various Concepts And Issues Involved In Economic Analysis Have Been Thoroughly Explained And Illustrated With The Help Of Examples Drawn From Our Daily Experience. The Inter-Relationships Between Different Concepts Have Been Suitably Highlighted. The Application Of Economic Tools For Problem Solving Has Been Emphasised. Review Questions And Exercises Have Been Included In Each Chapter To Help Students To Test Their Understanding And Prepare Confidently For Examinations. The Book Would Serve As Excellent Text For B.A., B.Com And Business Administration Students. Candidates Preparing For Various Professional And Competitive Examinations Would Also Find It Very Useful.

**Cost Management**

Seminar paper from the year 2010 in the subject Economics - Finance, grade: 1.3, University of Regensburg, language: English, abstract: Since Modigliani/Miller's famous theorem (1958) that capital structure is irrelevant for firm valuation, firms' capital structure choice has been one of the most significant subjects in the modern finance theory. The subsequent theoretical literature has found evidence to negate the irrelevance theorem. Most empirical studies applied a static theoretical framework and are capable to explain differences in the optimal leverage ratios across firms, using
observed leverage ratios as proxies for the optimal target leverage, but do not explain observed differences in firms' leverage ratios itself. One broadly accepted reason for a firm's deviation from their target leverage ratio is the existence of adjustment costs. In the presence of adjustment costs, firms may deviate from their target leverage and find it not cost effective to adjust their leverage ratio frequently or fully within one period, even if they recognize that their existing capital structure is not optimal. This shows the need for developing and using a dynamic approach in order to examine firms' capital structure. The paper is organized as follows. Section 2 provides a brief overview of the three main theories of capital structure. Section 3 specifies the dynamic partial-adjustment model and describes the variables that may affect the target capital structure as well as the adjustment speed. Section 4 reports the empirical results and Section 5 concludes the paper.

**Capital Structure and Firm Performance**

CD-ROM contains: World Bank data.

**Were Modern Capital Structure Theories Valid Before World War I?**

This monograph is devoted to the modern theory of capital cost and capital structure and its application to the real economy. In particular, it presents a possible explanation to the causes of global financial crisis. The authors of the book modify the theory of Nobel Prize winners Modigliani and Miller to describe an alternative theory of capital cost and capital structure that can be applied to corporations with arbitrary lifetime and investment projects with arbitrary duration. The authors illustrate their theory with examples from corporate practice and develop investment models that can be applied by companies in their financial operations.

**Non-Price Decisions**

Inside the risk management and corporate governance issues behind capital structure decisions Practical ways of determining capital structures have always been mysterious and riddled with risks and uncertainties. Dynamic paradigm shifts and the multi-dimensional operations of firms further complicate the situation. Financial leaders are under constant pressure to outdo their competitors, but how to do so is not always clear. Capital Structure Decisions offers an introduction to corporate finance, and provides valuable insights into the decision-making processes that face the CEOs and CFOs of organizations in dynamic multi-objective environments. Exploring the various models and techniques used to understand the capital structure of an organization, as well as the products and means available for financing these structures, the book covers how to develop a goal programming model to enable organization leaders to make better capital structure decisions. Incorporating international case studies to explain various financial models and to illustrate ways that capital structure choices determine their success, Capital Structure Decisions looks at existing models and the development of a new goal-programming model for capital structures that is capable of handling multiple objectives, with an emphasis throughout on mitigating risk. Helps financial leaders understand corporate finance and
the decision-making processes involved in understanding and developing capital structure. Includes case studies from around the world that explain key financial models. Emphasizes ways to minimize risk when it comes to working with capital structures. There are a number of criteria that financial leaders need to consider before making any major capital investment decision. Capital Structure Decisions analyzes the various risk management and corporate governance issues to be considered by any diligent CEO/CFO before approving a project.

**The Theory of Capital Structure - How theory meets practice in the German market**

The present study aims to investigate to what extent capital structure has an impact on profitability and closely associated factors due to a series of bankruptcies and bail-outs within the last twelve months. The analysis refers to firms listed in the S&P 500 index on January 2004 and evaluates their performance from 2004 to 2008. The results show strong industry-specific characteristics for all factors observed, i.e. gearing, profitability, liquidity, investments and dividends. In addition, findings indicate a negative effect of higher gearing for almost all ten sectors in respect of the core variables analysed. Neither the trade-off nor the pecking order theory can be confirmed, however, more support for the former is found. Due to the complexity of capital structure choice, regulations have very limited effects that require the need for independent non-governmental monitoring agencies to improve transparency and have the authority to intervene if managers act at the expense of public interest.

**Social Capital**

Traces aspects of the development of Indonesia's financial system.

**Modern Corporate Finance, Investments and Taxation**

A comprehensive guide to making better capital structure and corporate financing decisions in today's dynamic business environment. Given the dramatic changes that have recently occurred in the economy, the topic of capital structure and corporate financing decisions is critically important. The fact is that firms need to constantly revisit their portfolio of debt, equity, and hybrid securities to finance assets, operations, and future growth. Capital Structure and Corporate Financing Decisions provides an in-depth examination of critical capital structure topics, including discussions of basic capital structure components, key theories and practices, and practical application in an increasingly complex corporate world. Throughout, the book emphasizes how a sound capital structure simultaneously minimizes the firm's cost of capital and maximizes the value to shareholders. Offers a strategic focus that allows you to understand how financing decisions relates to a firm's overall corporate policy. Consists of contributed chapters from both academics and experienced professionals, offering a variety of perspectives and a rich interplay of ideas. Contains information from survey research describing actual financial practices of firms. This valuable resource takes a practical approach to capital structure by discussing why various theories make sense and how firms use them to solve problems and create wealth. In the wake of the recent financial crisis, the insights found here are essential to
excelling in today's volatile business environment.

**The Modern Theory of Corporate Finance**

Learn about today's hottest new risk management tools One of the hottest areas of finance today, alternative risk transfer, or ART, refers to the use of various insurance products to manage market, credit, operational, legal, environmental, and other forms of risk. As the capital and insurance markets continue to converge, the number and complexity of new risk-defraying insurance products available to corporations, brokerages, money managers and other financial professionals will continue to grow. Expert Christopher L. Culp uses case studies of recent ART transactions used by risk managers to put the field into perspective for financial professionals and to acquaint them with the various types of risk control products now available. In addition he explores, in-depth, the links between ART, derivatives and bank-arranged risk financing, and he explains the key differences between classic insurance products and financial guarantees, risk financing, bundled layering, and other ART forms.

**Capital Structure Decisions**

**Capital Structure and Firm Performance**

This highly successful text focuses on exploring alternative techniques, combined with a practical emphasis, A guide to alternative techniques with the emphasis on the intuition behind the approaches and their practical reference, this new edition builds on the strengths of the second edition and brings the text completely up-to-date.

**Modern Financial Theory**

This book focuses on microeconomic foundations of capital structure theory. It combines theoretical results with a large number of examples, exercises and applications. The book examines fundamental ideas in capital structure management, some of which are still not very well understood in the business community, such as Modigliani and Miller’s irrelevance result, trade-off theory, pecking-order theory, asset substitution, credit rationing and debt overhang. Chapters also cover capital structure issues that have become very important following the recent financial crisis. Miglo discusses the ways in which financial economists were forced to look critically at capital structure, as the problems faced by many companies stemmed from their financing policies following the crisis. The book also discusses links between capital structure and firm’s performance, corporate governance, firm’s strategy and flexibility, and covers such topics as life cycle approach to capital structure management, capital structure of small and start-up companies, corporate financing versus project financing and examples of optimal capital structure analyses for different companies. This comprehensive guide to capital structure theory will be of interest to all students, academics and practitioners seeking to understand this fast-developing and critical area of business management.
Finance and Financial Intermediation

Modern Corporate Finance, Investments, Taxation and Ratings

This book provides a framework for thinking about economic institutions such as firms. The basic idea is that institutions arise in situations where people write incomplete contracts and where the allocation of power or control is therefore important. Power and control are not standard concepts in economic theory. The book begins by pointing out that traditional approaches cannot explain on the one hand why all transactions do not take place in one huge firm and on the other hand why firms matter at all. An incomplete contracting or property rights approach is then developed. It is argued that this approach can throw light on the boundaries of firms and on the meaning of asset ownership. In the remainder of the book, incomplete contacting ideas are applied to understand firms' financial decisions, in particular, the nature of debt and equity (why equity has votes and creditors have foreclosure rights); the capital structure decisions of public companies; optimal bankruptcy procedure; and the allocation of voting rights across a company's shares. The book is written in a fairly non-technical style and includes many examples. It is aimed at advanced undergraduate and graduate students, academic and business economists, and lawyers as well as those with an interest in corporate finance, privatization and regulation, and transitional issues in Eastern Europe, the former Soviet Union, and China. Little background knowledge is required, since the concepts are developed as the book progresses and the existing literature is fully reviewed.

Capital Structure and Shari’ah Compliance of non-Financial Firms

The financial system is a densely interconnected network of financial intermediaries, facilitators, and markets that serves three major purposes: allocating capital, sharing risks, and facilitating intertemporal trade. Asset prices are an important mechanism in each of these phenomena. Capital allocation, whether through loans or other forms of investment, can vary both across sectors—at the broadest, manufactures, agriculture, and services—and within sectors, for example different firms. The risk that various investors are willing to take reflects their financial position and alternative opportunities. Risk and asset allocation are also influenced by whether money, and especially its expenditure, is more important now or in the future. These decisions are all influenced by governmental policies. When there are mismatches, the results include financial meltdowns, fiscal deficits, sovereign debt, default and debt crises. Harold L. Cole provides a broad overview of the financial system and assets pricing, covering history, institutional detail, and theory. The book begins with an overview of financial markets and their operation and then covers asset pricing for standard assets and derivatives, and analyzes what modern finance says about firm behavior and capital structure. It then examines theories of money, exchange rates, electronic payments methods, and cryptocurrencies. After exploring banks and other forms of financial intermediation, the book examines the role they played in the Great Recession. Having provided an overview of the private sector, Cole switches to public finance and government borrowing as well as the incentives to monetize the public debt and its consequences. The book closes with
an examination of sovereign debt crises and an analysis of their various forms. Finance and financial intermediation are central to modern economies. This book covers all of the material a sophisticated economist needs to know about this area.

**Modern Corporate Finance, Investments, Taxation and Ratings**

Essential guidance for the corporate finance professional – advisor, Board Director, CFO, Treasurer, business development executive, or M&A expert—to ask the right questions and make the critical decisions. Strategic Corporate Finance is a practical guide to the key issues, their context, and their solutions. From performance measurement and capital planning to risk management and capital structure, Strategic Corporate Finance translates principles of corporate finance theory into practical methods for implementing them. Filled with in-depth insights, expert advice, and detailed case studies, Strategic Corporate Finance will prepare you for the issues involved in raising, allocating and managing capital, and its associated risks. Justin Pettit (New York, NY) draws on his 15 years of senior advisory experience as an investment banker and management consultant. He advises corporate boards and executives on matters of capital structure, financial policy, valuation, and strategy. He also lectures on topics in advanced corporate finance to graduate and undergraduate students at universities in the New York area.

**Firms, Contracts, and Financial Structure**

The Fairshare Model is an idea for a performance-based capital structure that redefines capitalism at the DNA level, where ownership interests are set. When used to raise venture capital via an IPO, it balances and aligns the interests of investors and employees—capital and labor. Author Karl Sjogren utilizes highly approachable language, humor, and analogies, along with insights about capital markets. The result is an eclectic, yet inviting discussion that might occur in a graduate-level symposium on economics, finance, and philosophy. This groundbreaking book focuses on startup valuations—microeconomics. But it also considers the macroeconomic implications of the Fairshare Model for economic growth, income inequality, and shared stakeholding, as well as game theory and financing of blockchain projects. The Fairshare Model has two classes of stock—both vote but only one is tradable. --Investors get the tradable stock. Employees get it too, for actual performance. --For future performance, employees get the non-tradable stock; it converts to the tradable stock based on milestones. With this structure, public investors are more likely to profit when they invest in a company with high failure risk—because they have less valuation risk. By offering a better form of capitalism, The Fairshare Model is a movement book for our times.

**A Guide to Modern Econometrics**

Praise for Structured Finance & Insurance "More and more each year, the modern corporation must decide what risks to keep and what risks to shed to remain competitive and to maximize its value for the capital employed. Culp explains the theory and practice of risk transfer through either balance sheet mechanism such as structured finance, derivative
transactions, or insurance. Equity is expensive and risk transfer is expensive. As understanding grows, and, as a result, costs continue to fall, ART will continue to replace equity as the means to cushion knowable risks. This book enhances our understanding of ART." --Myron S. Scholes, Frank E. Buck Professor of Finance, Emeritus, Graduate School of Business, Stanford University "A must-read for everyone offering structured finance as a business, and arguably even more valuable to any one expected to pay for such service." --Norbert Johanning, Managing Director, DaimlerChrysler Financial Services "Culp’s latest book provides a comprehensive account of the most important financing and risk management innovations in both insurance and capital markets. And it does so by fitting these innovative solutions and products into a single, unified theory of financial markets that integrates the once largely separated disciplines of insurance and risk management with the current theory and practice of corporate finance." --Don Chew, Editor, Journal of Applied Corporate Finance (a Morgan Stanley publication) "This exciting book is a comprehensive read on alternative insurance solutions available to corporations. It focuses on their real benefits, economical and practical, of alternatives such as captives, rent-a-captive, and mutuals. An excellent introduction to the very complex field of alternative risk transfer (ART)." --Paul Wohrmann, PhD, Head of the Center of Excellence ART and member of the Executive Management of Global Corporate in Europe, Zurich Financial Services "Structured Finance and Insurance transcends Silos to reach the Enterprise Mountaintop. Culp superbly details integrated, captive, multiple triggers and capital market products, and provides the architectural blueprints for enterprise risk innovation." --Paul Wagner, Director, Risk Management, AGL Resources Inc.

The ART of Risk Management

Time and Money

Time and Money argues persuasively that the troubles which characterise modern capital-intensive economies, particularly the episodes of boom and bust, may best be analysed with the aid of a capital-based macroeconomics. The primary focus of this text is the intertemporal structure of capital, an area that until now has been neglected in favour of labour and money-based macroeconomics.

Capital Structure and Corporate Financing Decisions

Strategic Corporate Finance

Strategic Corporate Finance
This monograph is devoted to a modern theory of capital cost and capital structure created by this book’s authors, called the Brusov–Filatova–Orekhova (BFO) theory, and its application to the real economy. BFO theory promises to replace the traditional theory of capital cost and capital structure by Nobel laureates Modigliani and Miller. This new theory in particular, presents a possible explanation to the causes of the recent global financial crisis. The authors of the book describe the general theory of capital cost and capital structure that can be applied to corporations of arbitrary age (or with arbitrary lifetime) and investment projects with arbitrary duration. The authors illustrate their theory with examples from corporate practice and develop investment models that can be applied by companies in their financial operations. This updated second edition includes new chapters devoted to the application of the BFO theory in ratings, banking and other areas. The authors also provide a new approach to rating methodology highlighting the need for including financial flow discounting, the incorporation of rating parameters (in particular, financial ratios) into the modern theory of capital structure - BFO theory. This book aims to change our understanding of corporate finance, investments, taxation and rating procedures. The authors emphasize that the most used principles of financial management should be changed in accordance to BFO theory.

**Time and Money**


**Capital Structures in Developing Countries**

In the present financial world, various niche markets play an increasingly important role. One of the fastest-growing niches is, without a doubt, Islamic finance. Indeed, sustainable finance needs constantly evolving innovations, and this book offers valuable insights into Islamic capital structure and Shari’ah equity screening enriching academic discourse. "In recent years, we have witnessed the emergence of a new generation of academics and professionals specializing in various aspects of Islamic finance as knowledge and practice. This has brought about a new dynamism and also further sophistication. This book is one of such contributions, as it develops knowledge which is then transformed into practice whereby practical impact is also achieved. Being an academic book, it provokes readers’ thoughts, offering a critique of the implications of the currently applied Shari’ah screenings methodologies. As a transformative practical piece, by developing an innovative screening ratio, in this book, Dr. Yildirim extends his focus on the risk-sharing based financing hierarchy, covers thoughts and the underlying philosophy, and proposes an Islamic version of a
pecking order hierarchy. This framework can be considered the foundation for developing an Islamic capital structure theory. This book will benefit academics, professionals, investors, as well as policymakers working in the Islamic finance industry and would like to explore more." (Professor Dr. Mehmet Asutay, Durham University Business School, UK)

"This book offers, for the first time after the inception of Shari‘ah screening methodologies, a groundbreaking new stock screening solution that is comprehensible, practical, and foremost entirely derived from the primary sources of Islam (Qur’an and Sunnah). Congratulations to Dr. Ramazan for his outstanding contribution to Islamic finance and capital markets." (Associate Professor Dr. Ahcene Lahsasna)

"This excellent book is a must-have for all corporate finance students/researchers interested in the theoretical aspect of capital structure and the religious discussion of Shari‘ah equity screening. This book should become a companion to those involved in a quantitative research environment and aim to conduct a comparative analysis; an ideal resource for everyone, from Shari‘ah scholars to Islamic finance practitioners and beginners to experts." (Professor Dr. M. Kabir Hassan, University of New Orleans, USA)

**Capital Structure in the Modern World**

This book of readings is an ideal supplement for courses in the theory of finance and corporate finance policy offered in MBA and Ph.D. programs, and for advanced courses in corporate finance offered in MBA or Ph.D. programs.

**Building a Modern Financial System**

**Capital Structure and Profitability**

Advances in Financial Planning and Forecasting (New Series) is an annual publication designed to disseminate developments in the area of financial analysis, planning, and forecasting. The publication is a forum for statistical, quantitative, and accounting analyses of issues in financial analysis and planning in terms of finance, accounting, and economic data.

**Transformation of China’s Modern Banking System from the Late Qing Era to the 1930s (Volume 1)**

Essential guidance for the corporate finance professional – advisor, Board Director, CFO, Treasurer, business development executive, or M&A expert–to ask the right questions and make the critical decisions. Strategic Corporate Finance is a practical guide to the key issues, their context, and their solutions. From performance measurement and capital planning to risk management and capital structure, Strategic Corporate Finance translates principles of corporate finance theory into practical methods for implementing them. Filled with in-depth insights, expert advice, and detailed case studies, Strategic Corporate Finance will prepare you for the issues involved in raising, allocating
and managing capital, and its associated risks. Justin Pettit (New York, NY) draws on his 15 years of senior advisory experience as an investment banker and management consultant. He advises corporate boards and executives on matters of capital structure, financial policy, valuation, and strategy. He also lectures on topics in advanced corporate finance to graduate and undergraduate students at universities in the New York area.

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