



普通高等教育会计学专业规划教材

财务管理专业英语

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财务管理专业英语

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本书共9章,内容包括财务管理概论、货币时间价值、风险与收益、金融资产及其估价、资本预算与投资决策、营运资金管理、筹资方式、资本结构和股利政策。

本书一方面结合中文教材的通用知识模块,提炼与概括出财务管理的相关知识;另一方面也尽量保留英文基础素材的“原汁原味”,兼顾国外著名教科书素描手法的生动和形象。各章末有词汇表和参考译文,书后还有思考与练习的答案提示,便于自学。

本书可以作为高等院校财务管理专业学生的教材,也可以作为广大财务从业人员学习财务管理英语的参考用书。

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前 言

财务管理是一门年轻而充满活力的学科，吸引着众多优秀的青年才俊不断地加入到这个行列中来。社会网络化和全球化正在显著地改变着财务管理及其工作环境，给我们的工作和学习带来了更多的机遇和挑战。在现代社会背景下，专业人士的成功往往需要具备三大知识背景：专业、信息和英语。如果成为专业人士是你的人生目标和方向，那么信息和英语无疑会为你个人的发展和成功插上强有力的翅膀！

毫无疑问，英语作为当前人类最通用和最重要的语言之一，已经引起国人的高度重视。从小学到大学，甚至研究生阶段，大家都进行了系统、扎实的基础英语学习，但往往缺乏应有的专业英语基础训练，使得我们的进一步深入学习和研究因为欠缺专业外语文献的阅读能力以及国际交流能力而陷入“瓶颈”。随着学习、科研以及工作的不断深入，你很快就会发现，我们已经不能满足于国内文献所能提供的信息和知识含量了，而对于国外大部头的文献阅读又显得力不从心，此时，作为国内从一般汉语教学到专业外语教学过渡的基础铺垫和桥梁，适应性专业英语基础教材就显得至关重要，这就是本书编写的初衷和主要目标。

为了适应本科学生专业教学，并兼顾其他不同类型的学生及读者需求，一方面，本书结合中文教材的通用知识模块，提炼与概括出财务管理的相关知识；另一方面也尽量保留英文基础素材的“原汁原味”，兼顾国外著名教科书的素描手法所富有的生动和形象。我们对本书所涉及的主题及其深度进行了认真筛选，致力于普及财务管理的知识精华，集中展示财务管理较为规范而完整的基础知识体系，适合于本科高年级阶段的专业学习；而且我们准备了各个知识模块的中英文对照，包括配套思考与练习的解决思路，特别便于自学。待到你能





够轻松而熟练地阅读英文原版著作并开始沉湎其中时，这本书的使命也就结束了。这正是我们所期待的。

本书由崔刚（东北财经大学）担任主编，汪要文（安阳师范学院）、侯立新（北京工业大学）担任副主编。第1章、第4章、第5章与第6章由崔刚执笔，第2章和第3章由汪要文执笔，第7章、第8章和第9章由侯立新执笔。常睿、曹重远、史佳、李晗博和沙秀娟参与了本书基础资料的整理和编纂工作，他们的辛勤工作作为本书的顺利完成打下了良好的基础。

本书在编写过程中，参阅了大量的中英文参考文献。对于诸如罗斯（Stephen A. Ross）、韦斯特菲尔德（Randolph W. Westerfield）、范霍恩（James C. Van Horne）、布里格姆（Eugene F. Brigham）、休斯顿（Joel F. Houston）等大师们的经典之作，我们更是尊崇有加。同时，我们还从多种正规传媒和网络中汲取财务知识的甘泉，结合中国人的阅读习惯加以采撷和改编，以此作为本书英文部分的基础素材。在此对有关人士深表敬意和谢意！如有引用不当之处，还请及时与我们联系。

由于编者水平有限，加之时间仓促，书中疏漏和错误在所难免，我们对此表示歉意，恳请广大读者批评指正，我们会在您的持续关注中不断予以完善。

编者



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Chapter 1

An Overview of Financial Management

As we all know, the finance is a young and dynamic discipline, its unique charm and significant value creation capacity is currently attracting more and more persons of ability to join in its research and practice. This book will lead you into the temple of finance and sincerely wish you to be elite in this area in the near future.

1.1 What Are Finance and Financial Management

In the commodity economy, the physical goods or the form of value of services is constantly changing, from one form into another, again and again, forming a circular movement of funds. Therefore, the process of production and operation in enterprises is expressed as a movement of physical goods or services and that of capital. Funds movements not only exist in the form of financial circle, but also are ongoing with the process of production and operation, so the funds movement performances as a cyclical process. The movement of funds in an enterprise constitutes an independent part of the production and operation activities, has its own laws of motion, which is the financial activities of enterprises. Financial activities and funds movement of enterprises can not be away from the relationship between people's economic interests.

In a word, enterprise finance refers to financial activities and financial relations, the process of capital movement in the business of reproduction. It reflects all aspects of business and relationships. Accordingly, financial management manages an enterprise's finance. Based on financial and economic laws and regulations and in accordance with the principles of financial management, it organizes corporate finance activities and deals with financial relationships among the management of an economy. Simple speaking, financial management is an economic activity of organizing corporate finance activities and dealing with financial relationships.

As the market economy continuously developing, the development of production and operation process of socialization and the extent and level of modernization continues to improve, financial activities have become increasingly complex. Financial man-





agement is also from single to complex, from lower to higher. The status and role of financial management are gradually being recognized and shown to be accepted in enterprise. To enhance corporate financial management has the following advantages:

Firstly, enterprises should make use of corporate funds rationally and efficiently, which just need enterprises to enhance the financial management to arrive at that goal;

Secondly, it helps companies plan carefully to reduce costs;

Thirdly, it helps companies find problems in production and operation to reduce the financial loss;

Fourthly, it helps to improve the level of production and operations;

Fifthly, it helps to improve economic efficiency of the enterprises.

Current enterprise funds shortage plagued many companies and became a major obstacle to normal operation, which shows the importance and urgency to improve financial management. The capability of corporate financial management and financial logistics directly determine the effects of good or bad business.

1.2 The Main Content of Financial Management

Under the guide of the overall objective, the main contents of financial management include the managements of investment, financing, working capital, and profit distribution, etc.

1.2.1 Investment

Investment means the behavior of investing money by the enterprise according to the needs of a certain project. To realize the goal of the firm, it must locate its funds to relevant assets, and no one can imagine that money kept at the bottom of a chest would creat value. In the process of investment, enterprises must take into account the scale of investment. Meanwhile, the enterprise must determine the appropriate investment structure, improve investment efficiency and reduce investment risk through the choice of investment direction and investment modes. It begins with the determination of the total amount of assets held by the firm. Liabilities and owner's equity are listed on the right side of the balance sheet and its assets on the left. The financial manager needs to determine the amount that appears above the double lines on the left-hand side of the balance sheet-that is, the size of the firm. Even when this number is known, the composition of the assets must still be decided. For example, how much the firm's total assets should be devoted to cash or to inventory? On the flip side, disinvestment must not be ignored. In addition, assets that can no longer be economically justified need to be





reduced, eliminated, or replaced.

In order to ensure correct and effective business investment, the firm should make good deal with the relationship between the inner conditions of enterprise and its macro-economic environment. The survival and development of an enterprise is inseparable from the objective economic environment. The firm must know the environment well and seek the opportunity. For example, we can make use of PEST and SWOT to make a full analysis of the internal and external factors affecting the growth of the firm, and further identify the future direction of economic development and reasonably select the opportunities of investment.

1. 2. 2 Financing

Financing is a financial activity of raising funds through certain channels and an appropriate way. Financing management is also one of the core of financial management. Through fund-raising, enterprises can form two different sources of funding; one is corporate equity capital. Corporate investors can be absorbed through direct investment, issuing stock, increasing capital with retained earnings and so on. Corporate investors include national, corporate, personal investors and so on. The other is corporate debt funds. The firm can acquire it by debt, paying interest, paying dividends, and paying a variety of fund-raising costs. And it is a kind of the outflow of funds for the enterprise. This kind of income and expenditure generated from funding is fund-raising financial activities.

Finance departments should follow the following principles when an enterprise raises funds:

Firstly, enterprises should consider the needs of strategic development and investment plans to determine the overall financing scale of each period, and ensure the funds can meet the needs of production and operation;

Secondly, enterprises should make correct choice of funding sources in order to reduce the cost of capital and risk;

Thirdly, enterprises should make efforts to create a favorable financing environment;

Fourthly, enterprises should analyze various financing methods to determine the optimum financing structure.

1. 2. 3 Working Capital

Working capital is defined as the funds disbursed to meet the needs of the daily





business activities. Working capital management is the management of current assets and current liabilities. An enterprise must have an appropriate amount of working capital to maintain the normal operation. Therefore, working capital management is an important component of financial management. To improve working capital management, we must resolve issues of current assets and current liabilities. In other words, there are two following questions: The first is how much companies should invest in current assets, namely, the management of fund use. It mainly includes cash management, accounts receivable management and inventory management. The second is how to carry out the financing for current assets, namely, the management of financing. It includes management of short-term borrowings from bank and commercial credit management. It is obvious that the core content of working capital management is the use of funds and financing.

The financial department should follow the following principles when managing working capital:

Firstly, hedging risks. Many enterprises sell products frequently by credit in order to achieve profits. The one-sided pursuit of sales may let you neglect the inefficiency management of accounts receivable management. Therefore, the financial department should enhance enterprise funds efficiency by strengthening the control of credit and futures business, developing the corresponding control system for accounts receivable and payment in advance and strengthening the management of accounts receivable to get timely recovery of accounts receivable and reduce risk.

Secondly, creating value. Accounting profit is contra settlement of current revenues and current expenses. At any income level, companies must do a good job of control for internal costs and expenditures. Besides, you should make the budget, strengthen management, and reduce unnecessary expenditures to increase profits and business value.

Thirdly, improving efficiency. Financial management should build a scientific prediction system to make science budget on the overall business perspective.

1.2.4 The Distribution of Profits

Enterprises could obtain the corresponding income and achieve capital appreciation through investment or funds operating activities. Enterprises should allocate all income based on existing laws and regulations. Broadly speaking, the distribution of income refers to the distribution of various company income, including tax payments, interest payments, rent payments, salary distribution, and profit distribution, etc; narrowly





speaking, distribution only refers to the distribution of profits, especially the net profits.

The financial department should follow the following principles in the distribution of profits:

Firstly, distribution according to the law. In order to regulate distribution of the profits, a number of regulations have been developed by country. These regulations set the basic requirements for the allocation of corporate profits, the general procedures and a significant proportion. That corporate profit distribution must abide by law that is the key of correctly handling of the financial relationship.

Secondly, equal emphasis on distribution and accumulation. The profit distribution of corporate must balance the relationship of long-term benefits and short-term interests and should uphold the distribution and accumulation of equal importance. Business must retain some profits as the accumulation which is still vested by the business owners besides reserving funds for the provisions of the statutory. This part of the accumulated net profit for the enterprise can not only raise funds to expand production, enhance their development capacity and resist risks, but can also be allocated to get stable financial condition for future years, curb the amount of fluctuations in the distribution of profits and make rate of return stable.

1.3 Targets of Financial Management

1.3.1 Profit Maximization

Profit maximization assumes that the financial management practices would be in favor of corporate profit-maximizing direction under the circumstances that enterprise has confirmed return on investment. There are three main reasons for taking profit maximization as a financial management objective:

First, human beings engaged in production and business activities are intended to create more surplus. In the commodity economy, the amount of surplus profits of this value is measured by indicator of profits;

Second, in the free competition capital markets, the right of using capital belongs to the most profitable enterprises;

Third, the whole wealth of society can be maximized just when every business tries to maximize profit, following with social progress and development. the profits in a certain period are the difference between total income and the full cost calculated on the principle of matching revenues and expenses. It not only directly reflects the number of





surplus products that enterprises create, but also to a certain extent reflects the level of economic efficiency of enterprises and the size of the contribution to society. At the same time, profit is the source of enterprise additional capital and the expanding of operational scale. Therefore, it is rational in a way to regard profit maximization as the financial objective.

Profit maximization has several shortcomings as follows: First, the target does not take into account risk factors. After all, high profits is often accompanied by high-risk; Second, the target does not take into account the time value of money, the net profit is achieved in terms of a certain period; at last, the target will make enterprises focus only on short-term benefits and one-sided pursuit of profit maximization.

1. 3. 2 Shareholder Wealth Maximization

Shareholder wealth maximization refers to bringing most wealth for our shareholders through reasonable financial operation. Scholars who hold this view believe that shareholders aim at the growth of wealth when they start a business. They are business owners and providers of a venture's capital. The value of their investment is that it brings the future of remuneration to the owner, including the access to dividends and the cash from sale of shares. Under the conditions of share economy, the shareholders wealth is determined by the number of shares owned and the stock market price. Therefore, shareholder wealth maximization is also ultimately reflected in stock prices. They believe that the level of stock prices represent the objective evaluation of the company by public investors. It is measured by price per share and reflects the relationship between the capital and profits; it subjects to the impact of earnings per share and reflects how much the EPS is and when it occurs. It is liable to the impact of business risk and reflects the risk in earnings per share.

This view of maximizing shareholder wealth believes that enterprises are mainly formed by the investment of shareholders. And the purpose of shareholders to start a business is to expand the wealth. They are owners of the business. So naturally, the development of enterprises should pursue the maximization of shareholder wealth. Under the conditions of share economy, shareholders' wealth is determined by the number of shares owned by them and the stock price. Shareholders' wealth can be maximized when the stock price get to the top. So shareholder wealth maximization can be described as the stock price maximization. Similar to profit maximization, this target still does not take into account the time value of money and risk factors. We can not also avoid short-term behavior of enterprises, which may lead to the deviation from the firm's





strategic objectives.

1.3.3 Enterprise Value Maximization

The enterprise value maximization refers to maximizing the total value of the enterprise through rational operation of corporate finance and optimal financial policy, and taking full consideration of the time value of money and the relationship between risk and reward under the condition of ensuring the long-term stable development of enterprises.

The modern firm theory views that business is the sum of the multilateral contractual relations, including shareholders, creditors, managers class, general staff, etc. And all of them are indispensable. The parties have their own interests and together constitute the business balance interests mechanism. Enterprise financial objective should be related to a number of interest groups. It is also the result of interaction and compromise of these interest groups. In a certain period and a certain environment, the interests of a group may be prior to those of other groups, but in the long term of enterprise development, we can not only stress the interests of a group, but set aside the interests of other groups. In general, the goal of maximizing enterprise value has the following characteristics: it has the same interests of stakeholders; it can ensure the contingency of the corporate strategy development; it takes into account the risk and the time value of the currency. Therefore, it is a necessary requirement of modern enterprise development to take enterprise value maximization as an enterprise financial management goal, which is the optimal choice of corporate financial goals. At the same time, that takes enterprise value maximization as the ideal business goals helps enterprises to get long-term, stable and healthy development, which has profound practical significance. It also reflects the requirements of modern enterprise system. There are the following two requirements to establish modern enterprise system. First, it asks for the clarity of property rights, and based on this, enterprises should establish mechanisms both for shareholders to supervise and restrict the business operators and for creditors to supervise and restrict the business. Enterprises should also establish property rights vested in a certain individual, and thus bring the symmetry between the enjoyment of the right and the duty to bear the risks; Second, it also asks various interest groups to protect their own interests, which would allow companies to form a mechanism of mutual supervision and restrictive balance. When the corporate value is maximized, it will achieve their balance of interests. In addition, the enterprise value maximization is a dynamic indicator; it encourages the pursuit of business value sustained growth in the life cycle





of business, with the nature of long-term, sustainable development.

Therefore, Enterprise value maximization will achieve the maximization of the owners or shareholder's equity under the constraints of the business-related interest groups. The basic idea of this objective focused on meeting the interest of the shareholders and various interest groups in the process of enterprise value-added to ensure the long-term stable development of enterprises.

1.4 The Role of the Financial Manager

Several years ago, our financial managers whose job merely called "accounting", just play a role as "Mr. Accountant". In the US, financial accounting has ever been called "bean-counter". But with economic globalization, the financial manager's role has been changing.

Now the financial manager plays a dynamic role in a modern company's development. The financial manager is a top officer of a firm whose function is familiar to a vice president in charge of finance or chief financial officer (CFO). As a financial manager, his ability to adapt to changes, raise funds, invest in assets, and manage wisely will affect the success of the firm and, ultimately, the overall economy as well. Thus, through arranging, financing, and managing assets efficiently, the financial manager contributes to the firm and to the vitality and growth of the economy as a whole.

Heightened corporate competition, technological changes, volatility in inflation and interest rate, worldwide economic uncertainty, fluctuating exchanges rate, and ethical concerns over certain financial dealings must be dealt with almost daily in today's rapidly changing environment. The financial manager has emerged as a team player in the overall effort of a corporate to create value. Thus today's financial manager must have the flexibility to adapt to the changing external environment if his or her firm is to survive.

Questions and Exercises:

1. What are the main contents of Financial Management?
2. What are the objectives of financial management? Which goal do you think is the most reasonable? Try to talk about your reasons.
3. If you are a listed company's president, will you consider profit-maximizing or shareholder wealth maximization when you make decisions? What measures can be taken to ensure that management's interests are consistent with the interests of share-





holders in views of shareholders?

4. What kind of role do you think financial managers play today?

Vocabulary (词汇表)

business	企业, 商业, 业务
finance	财务, 理财
management	管理, 管理层
revenue	收入
return	回报
shareholder	股东
stakeholder	利益相关者
stock	股票
profit maximization	利润最大化
shareholder wealth maximization	股东财富最大化
enterprise value maximization	企业价值最大化
hedge risks	规避风险
inventory	存货
current assets	流动资产
current liabilities	流动负债
financing	筹资
corporation	股份公司
earning per share (EPS)	每股收益
exchange rate	汇率
inflation	通货膨胀
contractual relations	契约关系
equity	所有者权益
dividend	股利
CFO (Chief Financial Officer)	首席财务官, 财务总监

参考译文

第 1 章 财务管理概论

众所周知, 财务是一门年轻而富有活力的学科, 其独特的魅力和显著的价值创造能力目前正在吸引越来越多的优秀人才投身于这方面的研究与实践工作, 下面就让本书将你领进财务学的殿堂, 并衷心祝愿你在不远的将来能成为这个





领域的行家里手。

1.1 财务与财务管理的含义

在商品经济条件下,实物商品或服务的价值形态在不断地发生变化,由一种形态转化为另一种形态,周而复始,形成了资金循环运动。所以,企业的生产经营过程表现为实物商品或服务的运动过程及其资金运动过程。资金运动不仅以资金循环的形式而存在,而且伴随生产经营过程的不断进行,因此,资金运动也表现为一个周而复始的周转过程。企业的资金运动,构成企业生产经营活动的一个独立方面,具有自己的运动规律,这就是企业的财务活动。而无论是企业的资金运动还是企业的财务活动都无法离开人与人之间的经济利益关系。

一言以蔽之,企业财务泛指财务活动和财务关系,是指企业再生产过程中的资金运动,它体现企业与各方面的关系。相应地,财务管理就是对企业财务的管理,它是根据财经法规制度,按照财务管理的原则,组织企业财务活动,处理财务关系的一项经济管理工作。简单地说,财务管理就是组织企业财务活动、处理财务关系的一项经济管理工作。

随着市场经济的不断发展,企业生产经营过程的社会化程度和现代化水平不断提高,财务活动越来越复杂,财务管理也由单一到复杂,由低级到高级,在企业管理中的地位与作用也逐渐显示出来并被人们所认识接受。加强企业财务管理有以下优势:

- 第一,有利于企业合理有效地利用资金,提高资金利用效率;
- 第二,有利于企业精打细算,降低成本费用;
- 第三,有利于企业发现生产经营中存在的问题,减少财务损失;
- 第四,有利于提高企业生产经营水平;
- 第五,有利于企业提高经济效益。

当前企业资金短缺问题已成为困扰许多企业正常运转的主要障碍,这说明了加强和提高财务管理水平的重要性和紧迫性。企业理财能力,资金运筹能力,直接决定了企业经营效果的好坏。

1.2 财务管理的主要内容

在企业整体目标引导下,财务管理主要围绕以下主要内容展开:投资管理、筹资管理、营运资金管理以及利润分配管理等。

1.2.1 投资管理

投资是指企业根据项目资金需要投出资金的行为。为了实现企业的生产经营目标,财务主体拥有的资金必须投入使用。没有人可以想象资金压在箱底就

