



ANALYSIS *for* FINANCIAL MANAGEMENT 第六版 财务管理分析

罗伯特·C. 希金斯 (Robert C. Higgins)

CFA系列



McGraw-Hill Education
麦格劳-希尔教育出版集团



中信出版社
CITIC PUBLISHING HOUSE

CFA系列

ANALYSIS *for* FINANCIAL MANAGEMENT

财务管理分析

第六版

罗伯特·C·希金斯(Robert C. Higgins)



McGraw-Hill Education
麦格劳-希尔教育出版集团



中信出版社
CITIC PUBLISHING HOUSE

图书在版编目 (CIP) 数据

财务管理分析 / (美) 希金斯著. —北京: 中信出版社, 2002.5

书名原文: Analysis for Financial Management

ISBN 7-80073-523-0

I.财… II.希… III.财务管理—会计分析—英文 IV.F275

中国版本图书馆CIP数据核字 (2002) 第045494号

Robert C. Higgins

Analysis for Financial Management, 6e

ISBN: 0-07-231531-8

Copyright © 2001, 1998, 1995, 1992, 1989, 1984 by The McGraw-Hill Companies, Inc.

Original language published by The McGraw-Hill Companies, Inc. All Rights reserved. No part of this publication may be reproduced or distributed in any means, or stored in a database or retrieval system, without the prior written permission of the publisher.

Authorized English language reprint edition jointly published by McGraw-Hill Education (Asia) Co. and CITIC Publishing House. This edition is authorized for sale in the People's Republic of China only, excluding Hong Kong, Macao SAR and Taiwan. Unauthorized export of this edition is a violation of the Copyright Act. Violation of this Law is subject to Civil and Criminal Penalties.

本书英文影印版由中信出版社和美国麦格劳-希尔教育出版(亚洲)公司合作出版。此版本仅限在中华人民共和国境内 (不包括香港、澳门特别行政区及台湾) 销售。未经许可之出口, 视为违反著作权法, 将受法律之制裁。

未经出版者预先书面许可, 不得以任何方式复制或抄袭本书的任何部分。

本书封面贴有McGraw-Hill公司防伪标签, 无标签者不得销售。

北京市版权局著作权合同登记号: 01-2002-0144

财务管理分析

著 者: [美] 罗伯特·C.希金斯

责任编辑: 李宝琳 责任监制: 朱 磊 王祖力

出版发行: 中信出版社 (北京市朝阳区新源南路6号京城大厦 100004)

经 销 者: 中信联合发行有限公司

承 印 者: 北京忠信诚胶印厂

开 本: 787mm × 1092mm 1/16 印 张: 26.875 字 数: 538千字

版 次: 2002年5月第1版 印 次: 2002年5月第1次印刷

京权图字: 01-2002-0144

书 号: ISBN 7-80073-523-0/F · 369

定 价: 56.00 元

版权所有·侵权必究

凡购本社图书, 如有缺页、倒页、脱页, 由发行公司负责退换 服务热线 010-64648783

序

世界金融市场的蓬勃发展需要大量合格的金融从业人员，需要有全球通行的金融语言和行为标准。无论投资者、企业还是金融管理层都需要用统一、规范的标准来衡量金融分析人员的知识水平、道德规范和专业化程度，从而建立起对他们所提供的金融服务和所管理的金融资产的信赖。由此，特许金融分析师（Chartered Financial Analyst，简称CFA）应运而生。

作为全球通行的、最权威的金融市场专业人员的资格认证，CFA创办于20世纪60年代初。主办CFA考试和授予CFA特许状的权威机构是美国投资管理研究协会。目前，CFA资格授予各个投资领域内的专业人士，包括基金经理、证券分析师、财务总监、投资顾问、投资银行家、交易员等等。CFA要求它的持有人建立严格而广泛的金融知识体系，掌握金融投资行业各核心领域的理论与实践知识，包括从投资组合管理到金融资产估价，从衍生证券到固定收益证券以及定量分析。与此相适应，CFA的课程设置和考试内容深深根植于投资管理的实践，涉及广泛的金融投资方面的基础知识，并且考试标准和阅读书目每年都在变化，以反映投资领域的最新变化。

为适应经济日益全球化、信息化、金融化的发展趋势，促进我国资本市场的发展，并配合CFA资格考试在国内的展开，以方便广大考生应试，以及满足相关财经领域从业人员和广大师生的学习需求，中信出版社推出了CFA系列丛书。该系列包含两个子系列：影印系列和翻译系列，我们衷心地希望这套丛书的推出能够对广大的读者有所帮助。

中信出版社

P R E F A C E

Like its predecessors, the sixth edition of *Analysis for Financial Management* is for nonfinancial executives and business students interested in the practice of financial management. It introduces standard techniques and recent advances in a practical, intuitive way. The book assumes no prior background beyond a rudimentary and perhaps rusty familiarity with financial statements, although a healthy curiosity about what makes business tick is also useful. Emphasis throughout is on the managerial implications of financial analysis.

Analysis for Financial Management should prove valuable to individuals interested in sharpening their managerial skills and to participants in executive programs. The book has also found a home in university classrooms as the sole text in applied finance courses, as a companion text in case-oriented courses, and as a supplementary piece in more theoretical finance courses.

Analysis for Financial Management is my attempt to translate into another medium the enjoyment and stimulation I have received over the past three decades working with executives and college students. This experience has convinced me that financial techniques and concepts need not be abstract or obtuse; that recent advances in the field such as market signaling, market efficiency, and capital asset pricing are important to practitioners; and that finance has much to say about the broader aspects of company management. I also believe any activity in which so much money changes hands so quickly cannot fail to be interesting.

Part 1 looks at the management of existing resources, including the use of financial statements and ratio analysis to assess a company's financial health, its strengths, weaknesses, recent performance, and future prospects. Emphasis throughout is on the ties between a company's operating activities and its financial performance. A recurring theme is that a business must be viewed as an integrated whole and effective financial management is possible only within the context of a company's broader operating characteristics and strategies.

The rest of the book deals with the acquisition and management of new resources. Part 2 examines financial forecasting and planning with particular emphasis on managing growth and decline. Part 3 considers the financing of company operations, including a review of the

principal security types, the markets in which they trade, and the proper choice of security type by the issuing company. The latter requires a close look at financial leverage and its effect on the firm and the firm's shareholders.

Part 4 deals with the use of discounted cash flow techniques, such as the net present value and the internal rate of return, to evaluate investment opportunities. It also addresses the difficult task of incorporating risk into investment appraisal. The book concludes with an examination of business valuation and company restructuring within the context of the ongoing debate over the proper roles of shareholders, boards of directors, and incumbent managers in governing America's public corporations.

As in earlier editions, an extensive glossary of financial terms and suggested answers to end-of-chapter problems follow the last chapter.

Changes in the Sixth Edition

Readers familiar with earlier editions of *Analysis for Financial Management* will note several changes and refinements in this edition, including

- Selected website references at the end of each chapter.
- An *Analysis for Financial Management* website containing complimentary software, PowerPoint versions of selected tables and figures, supplementary end-of-chapter problems and answers, reader reviews, instructions for purchasing the book online, and errata. The complimentary software consists of three easy-to-use Excel programs which I often rely on to analyze financial statements, project financing needs, and evaluate investment opportunities. The URL is us.badm.washington.edu/higgins/book/book.htm. You can also access the Excel programs through a link on the book site at www.mhhe.com/higgins6e.
- An illustration in Chapter 3 of the virtues of computer simulation when projecting financing needs.
- A modest expansion of the appendix to Chapter 5 to include valuing stock options using information from two websites.
- A significant revision of the financing decision in Chapter 6 to sharpen the exposition and align it more closely with current thinking on the topic.

- An expanded discussion in Chapter 7 of the relevant costs and benefits in investment appraisal.
- All new data in the running company example.

A word of caution: *Analysis for Financial Management* emphasizes the application and interpretation of analytic techniques in decision making. These techniques have proved useful for putting financial problems into perspective and for helping managers anticipate the consequences of their actions. But techniques can never substitute for thought. Even with the best technique, it is still necessary to define and prioritize issues, to modify analysis to fit specific circumstances, to strike the proper balance between quantitative analysis and more qualitative considerations, and to evaluate alternatives insightfully and creatively. Mastery of technique is only the necessary first step toward effective management.

I am indebted to Neil Cohen, Hugh Hunter, Chandra Mishra, and Chris Muscarella for their valuable reviews of the fifth edition and their constructive recommendations for improvements. I also want to thank Bill Alberts, David Beim, Dave Dubofsky, Bob Keeley, Jack McDonald, George Parker, Megan Partch, Alan Shapiro, and Nik Varaiya for insightful help and comments on this and prior editions. The sixth edition has been a real family effort. My daughter, Sara Higgins, did a great job on the software accompanying the book, and my son, Steve, did the lion's share of the work on tracking down and verifying the recommended websites. My wife contributed her usual support and enthusiasm as well as an uncharacteristic degree of patience. I thank them all. Finally, I want to express my appreciation to students and colleagues at the University of Washington, Stanford University, The Koblenz Graduate School of Management, Boeing, and Microsoft, among others, for stimulating my continuing interest in the practice and teaching of financial management.

I envy you learning this material for the first time. It's a stimulating intellectual adventure.

Robert C. Higgins
University of Washington
rhiggins@u.washington.edu
us.badm.washington.edu/higgins/

B R I E F C O N T E N T S

PART I

ASSESSING THE FINANCIAL HEALTH OF THE FIRM

- 1 Interpreting Financial Statements 3**
- 2 Evaluating Financial Performance 33**

PART II

PLANNING FUTURE FINANCIAL PERFORMANCE

- 3 Financial Forecasting 85**
- 4 Managing Growth 115**

PART III

FINANCING OPERATIONS

- 5 Financial Instruments and Markets 145**
- 6 The Financing Decision 191**

PART IV

EVALUATING INVESTMENT OPPORTUNITIES

- 7 Discounted Cash Flow Techniques 231**
- 8 Risk Analysis in Investment Decisions 273**
- 9 Business Valuation and Corporate Restructuring 319**
- Appendix A 359***
- Appendix B 361***

GLOSSARY 363

SUGGESTED ANSWERS TO END-OF-CHAPTER PROBLEMS 375

INDEX 399

CONTENTS

PART I

ASSESSING THE FINANCIAL HEALTH OF THE FIRM

Chapter 1

Interpreting Financial Statements 3

The Cash Flow Cycle 3

The Balance Sheet 6

Current Assets and Liabilities 7

Shareholders' Equity 7

The Income Statement 9

Measuring Earnings 10

Sources and Uses Statements 13

The Two-Finger Approach 14

The Cash Flow Statement 16

Financial Statements and the Value Problem 20

Market Value versus Book Value 20

Economic Income versus Accounting Income 23

Chapter Summary 26

Additional Resources 27

Chapter Problems 28

Chapter 2

Evaluating Financial Performance 33

The Levers of Financial Performance 33

Return on Equity 34

The Three Determinants of ROE 34

The Profit Margin 36

Asset Turnover 38

Financial Leverage 43

Is ROE a Reliable Financial Yardstick?	49
<i>The Timing Problem</i>	50
<i>The Risk Problem</i>	50
<i>The Value Problem</i>	52
<i>ROE or Market Price?</i>	53
Ratio Analysis	55
<i>Using Ratios Effectively</i>	57
<i>Ratio Analysis of The Timberland Company</i>	58
Appendix: International Differences in Financial Structure	69
<i>Percentage Balance Sheets</i>	69
<i>Comparisons among Publicly Traded Companies</i>	72
<i>International Accounting Differences</i>	76
Chapter Summary	78
Additional Resources	78
Chapter Problems	80

PART II

PLANNING FUTURE FINANCIAL PERFORMANCE

Chapter 3

Financial Forecasting	85
Pro Forma Statements	85
<i>Percent-of-Sales Forecasting</i>	86
Pro Forma Statements and Financial Planning	92
<i>Sensitivity Analysis</i>	94
<i>Scenario Analysis</i>	94
<i>Interest Expense</i>	95
<i>Seasonality</i>	96
<i>Forecasting with Computer Spreadsheets</i>	96
<i>Simulation</i>	99
Cash Flow Forecasts	101
Cash Budgets	102
The Techniques Compared	104
Planning in Large Companies	105
Chapter Summary	107
Additional Resources	108
Chapter Problems	108

Chapter 4

Managing Growth 115

Sustainable Growth 116

The Sustainable Growth Equation 117

Too Much Growth 119

*Balanced Growth 120**Triad Guarantee's Sustainable Growth Rate 122**"What If" Questions 122*

What to do When Actual Growth Exceeds Sustainable Growth 124

*Sell New Equity 124**Increase Leverage 130**Profitable Pruning 130**Sourcing 131**Pricing 132**Is Merger the Answer? 132*

Too Little Growth 132

What to do When Sustainable Growth Exceeds Actual Growth 133

*Ignore the Problem 135**Return the Money to Shareholders 135**Buy Growth 136**Sustainable Growth and Inflation 137*

Sustainable Growth and Pro Forma Forecasts 138

Chapter Summary 139

Additional Resources 140

Chapter Problems 141

PART III

FINANCING OPERATIONS**Chapter 5**

Financial Instruments and Markets 145

Financial Instruments 146

*Bonds 147**Common Stock 153**Preferred Stock 157*

Financial Markets 160

Private Placement or Public Issue? 160

<i>Exchanges and Over-the-Counter Markets</i>	161
<i>International Financial Markets</i>	161
<i>Investment Banking</i>	164
<i>Issue Costs</i>	166
<i>Regulatory Changes</i>	167
Efficient Markets	168
<i>What Is an Efficient Market?</i>	168
<i>Implications of Efficiency</i>	171
Appendix: Forward Contracts, Options, and the Management of Corporate Risk	173
<i>Forward Markets</i>	174
<i>Hedging in Money and Capital Markets</i>	178
<i>Hedging with Options</i>	178
<i>Limitations of Financial Market Hedging</i>	180
<i>Valuing Options</i>	182
Chapter Summary	185
Additional Resources	186
Chapter Problems	187

Chapter 6

The Financing Decision 191

Financial Leverage	193
Techniques for Analyzing Financing Alternatives	195
<i>Leverage and Risk</i>	198
<i>Leverage and Earnings</i>	200
How Much to Borrow	204
<i>Tax Benefits and Distress Costs</i>	204
<i>Flexibility and Market Signaling</i>	210
<i>The Financing Decision and Sustainable Growth</i>	214
Selecting a Maturity Structure	217
<i>Inflation and Financing Strategy</i>	218
Appendix: The Irrelevance Proposition	219
<i>No Taxes or Distress Costs</i>	219
<i>Taxes but Still No Distress Costs</i>	222
Chapter Summary	223
Additional Resources	224
Chapter Problems	225

PART IV**EVALUATING INVESTMENT OPPORTUNITIES**

Chapter 7

Discounted Cash Flow Techniques 231**Figures of Merit 232***The Payback Period and the Accounting Rate of Return 233**The Time Value of Money 234**Equivalence 238**The Net Present Value 239**The Benefit-Cost Ratio 241**The Internal Rate of Return 241**Calculating NPVs, IRRs, and BCRs with a Computer Spreadsheet 244**Bond Valuation: An Example of NPV and IRR Calculations 246**Mutually Exclusive Alternatives and Capital Rationing 248***Determining the Relevant Cash Flows 249***Depreciation 250**Working Capital and Spontaneous Sources 252**Sunk Costs 254**Allocated Costs 255**Excess Capacity 256**Financing Costs 258***Appendix: Mutually Exclusive Alternatives and Capital Rationing 261***What Happened to the Other \$578,000? 262**Unequal Lives 263**Capital Rationing 264**The Problem of Future Opportunities 266**A Decision Tree 266***Chapter Summary 267****Additional Resources 268****Chapter Problems 269****Chapter 8**

Risk Analysis in Investment Decisions 273**Risk Defined 275****Estimating Investment Risk 277***Three Techniques for Estimating Investment Risk 278*

Including Risk in Investment Evaluation	278
<i>Risk-Adjusted Discount Rates</i>	278
The Cost of Capital	280
<i>The Cost of Capital Defined</i>	281
<i>Timberland Company's Cost of Capital</i>	283
<i>The Cost of Capital in Investment Appraisal</i>	290
<i>Multiple Hurdle Rates</i>	290
Four Pitfalls in the Use of Discounted Cash Flow Techniques	292
<i>The Entity Perspective versus the Equity Perspective</i>	293
<i>Inflation</i>	295
<i>Real Options</i>	297
<i>Excessive Risk Adjustment</i>	300
Economic Value Added	301
<i>EVA and Investment Analysis</i>	302
<i>EVA's Appeal</i>	304
A Cautionary Note	305
Appendix: Diversification and β-Risk	307
<i>Diversification</i>	309
<i>Measuring Beta</i>	312
<i>Using Beta in Investment Evaluation</i>	313
<i>Beta Risk and Conglomerate Diversification</i>	313
Chapter Summary	314
Additional Resources	315
Chapter Problems	316

Chapter 9

Business Valuation and Corporate Restructuring	319
Valuing a Business	321
<i>Assets or Equity?</i>	321
<i>Dead or Alive?</i>	322
<i>Minority Interest or Control?</i>	324
Discounted Cash Flow Valuation	325
<i>Free Cash Flow</i>	326
<i>The Terminal Value</i>	327
<i>A Numerical Example</i>	330
<i>Problems with Present Value Approaches to Valuation</i>	332

Valuation Based on Comparable Trades	332
<i>Lack of Marketability</i>	337
The Market for Control	338
<i>The Premium for Control</i>	338
<i>Financial Reasons for Restructuring</i>	341
<i>The Empirical Evidence</i>	347
<i>The AT&T-McCaw Merger</i>	349
Chapter Summary	352
Additional Resources	353
Chapter Problems	353
APPENDIX A: PRESENT VALUE OF \$1 IN YEAR N , DISCOUNTED AT DISCOUNT RATE K	359
APPENDIX B: PRESENT VALUE OF AN ANNUITY OF \$1 FOR N YEARS, DISCOUNTED AT RATE K	361
GLOSSARY	363
SUGGESTED ANSWERS TO END-OF-CHAPTER PROBLEMS	375
INDEX	399

PART I

**ASSESSING THE FINANCIAL
HEALTH OF THE FIRM**

