CA FINAL

AFM

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INTRODUCTION TO AFM :—

B/S ↔ Mangement

1) Primary Decision
⇒ Capital Structure
  D/E
⇒ Cost of Capital
  WACC

2) Investing Decision

3) Dividend → SV
  Decision
  TE → RE + D

4) W/C Mangement
  liquidity

  CA - CL

Fundamental Analysis:-

Data → Past | Forecasting the future

$\frac{d}{ds}$ | $\frac{d}{dL}$

FS

Historical Data

99% FA
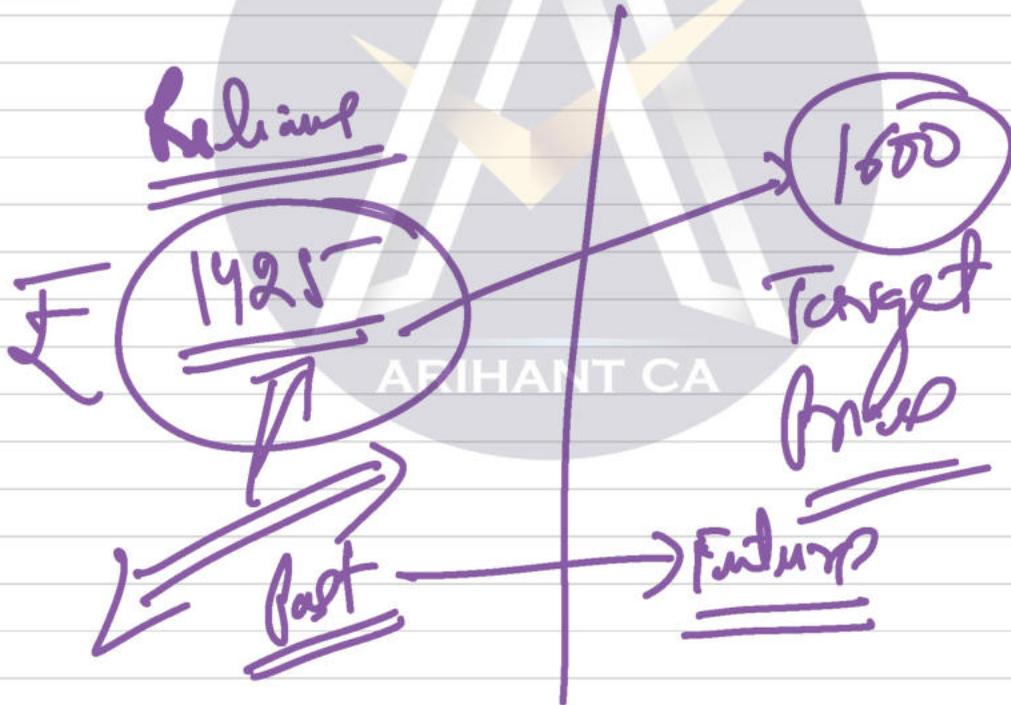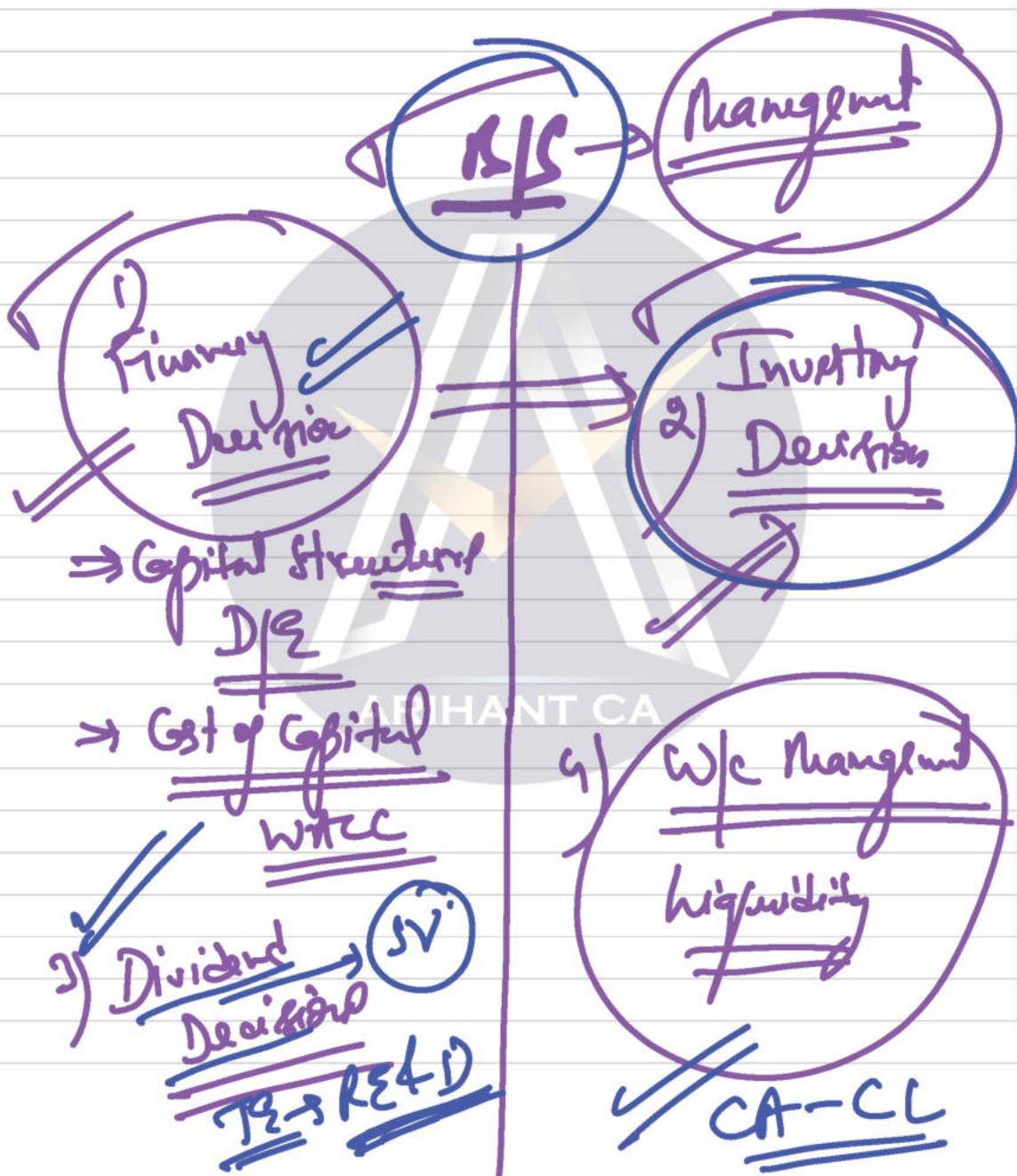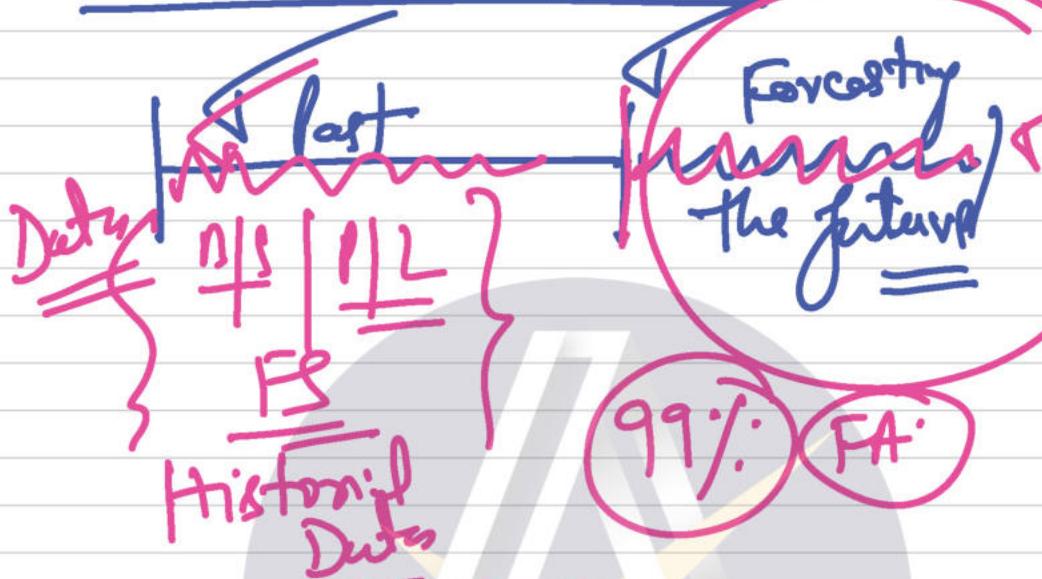
Obj:- To Cal. IV

Intrensic Value

Price → ?

P_0 → Share

B_0 ⇒ Bond

Pricing Decisions

NAV_0 ⇒ MF

FTP → Future

FOP ⇒ option

FK

PV

$P_0 = ?$ $B_0 = ?$ $NPVs = ?$
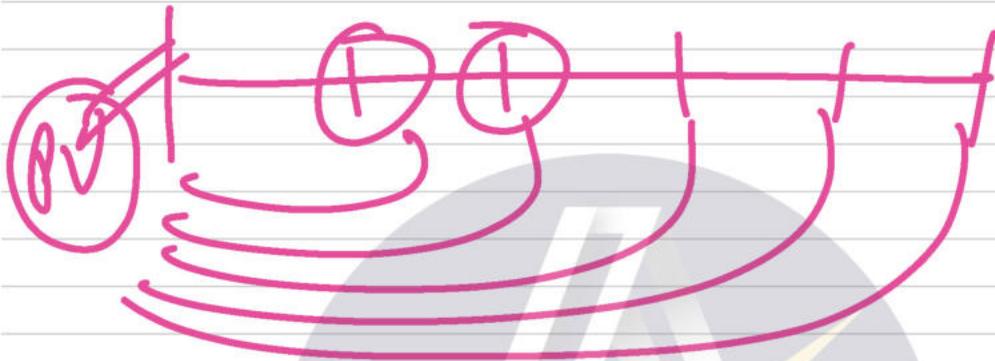
Investment Decision — Application

Valuation ⟹ CMP

As per Valuation
$P_0 = ?$ Price of the Share as on today.

NSE/BSE

Imp. co

$P_0 = ?$

Reliance [R12]

$$P_0 = 1600$$

Case I:
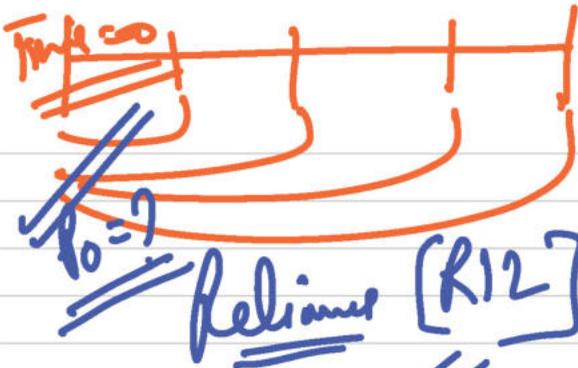
$P_0 = \sqrt{E} \ 1600 \implies CMP = 1425$

Under-Valued
Under-Priced

$\boxed{Buy.}$

Case II

$P_0 \Rightarrow 1350$

$CMP = 1425$

over-priced
over-Valued
Decision :- (Sell #)

(#) Investor is already holding the
stock

No Holding → "Not to Invest"

(CMT)

Charting.

Analysis the Past Trend

Price Forecasting Future

EMA
AMA

Volume

Obj :- When to Buy & When to Sell

Timing Decision

EIC Analysis :-

Top-Down → ← Bottom-Up

Economic

→ Industry

→ Co.
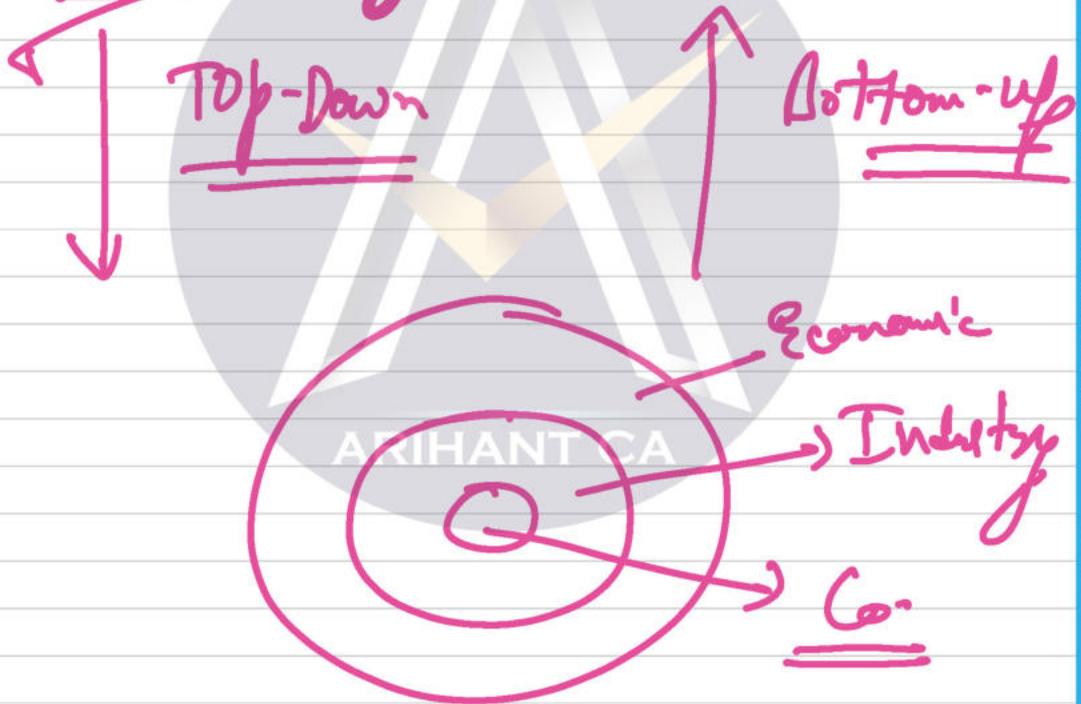
1) Economic Analysis :-

INDIA / Indonesia / China / Brazil

⇒ Emerging Economies → growth potentials

Reason → Population

✓ Macro-Economic factors:-

1) GDP / NDP

$\boxed{\text{Syan} \\ \text{INCv}}$

2) growth rates → Real
                 → Nominal

3) Inflation

4) Interest rates

5) Unemployment rates

6) Fiscal Policy

7) Monetary Policy.

8) Political Uncertainty / Geopolitical Issues

9) International Trade.

10) Climate change.

Techniques:-

1) Survey's   2) Leading Indicators

3) Lagging Indicators

⟹ India ⟶ Economic Analysis

Top ⟶ Down

2) (Industry Analysis:-)   FMCG

(i) Product life cycle. ✓

(ii) Demand - Supply gap. ✓ ≠

(iii) Barriers of Entry. ✓ ≠

(iV) Regulatory & legal Environment

(V) ✓

INDIA

1) FMCG

2) IT

3) Banking.

4) Defense →?

3) Co. Analysis:-

$\sum$ Energy Co.'s

HAL | BEML | BEL |

(i) Financial performance

⇒ Revenue growth | CAGR | Profitability ratio | liquidity ratio | Leverage Ratio | Cash flow Analysis

(II) Cross-Sectional Analysis

Time Series Analysis:-

2025 ← Cross-Sectional Analysis

HAL	BEML	BEL
✓	✓	✓
✓	✓	✓
	✓	✓

Time Series Analysis.

(HAL)

2021	2022	2023	2024	2025

3) MKT. Share

4) Operational Efficiny of $\left\{ \begin{array}{c} \underline{ATR} \\ \underline{CETR} \end{array} \right.$

(FATR CATR)

↳ **ESG Analysis**

Environment | Social | Governance

Top
Down
Approach
[Broader Sense]

Bottom-up
Approach
Narrow Sense
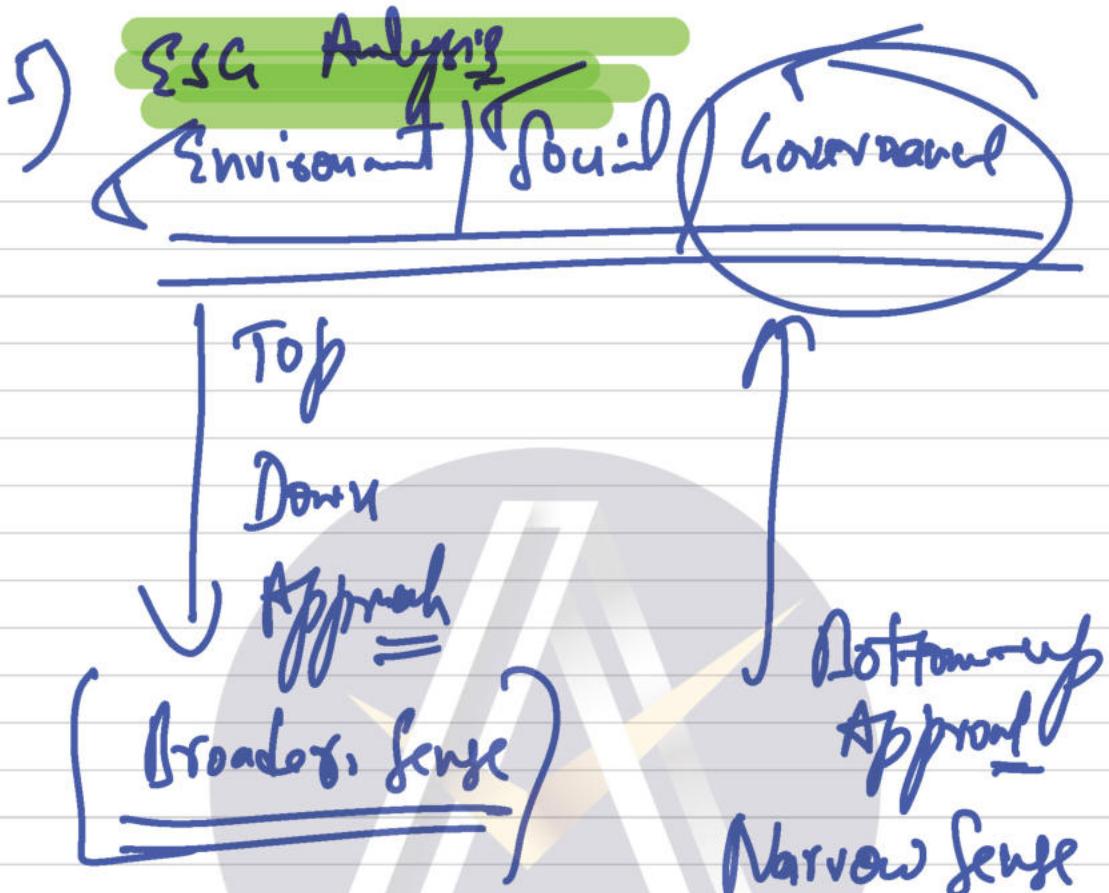
Where to
Invest = ?

→ HAL = ?

1) Intt. rates futures

2) Bonds → fixed income.

3) Forex

4) Commodities

5) Equities → Worst Product

① Derivative → (15) +

② Portfolio → (15) +

③ Forex + IRRM → (15+)

$$\frac{SV + CV + NPA \Rightarrow 20 +}{Cap \ Bud + IFM \rightarrow 10 +}$$

Theory

$$\boxed{16 +}$$

| FM/AFM | CA GAURAV JAIN |

1) Register

2) Calculator → (GT) function

3) Black Pen →

$$\Rightarrow \boxed{TVM} + \boxed{SV}$$

$$\boxed{4D} \Rightarrow \overset{\frown}{LIVE} \qquad \overset{\frown}{SD \ Days}$$

$$\boxed{CFA \rightarrow NISM} \qquad \underline{Module \ 8}$$

$$\overset{\frown}{LI} \qquad \underline{CA \ Inter-FM}$$

$$\underline{Sep} \rightarrow \boxed{20 + 30 + 10}$$

$$\Rightarrow \boxed{AFM} \rightarrow \underline{1 \ hrp} \Rightarrow \underset{\overset{\frown}{80f}}{Revise}$$

$$\Rightarrow \boxed{Audit} \rightarrow \underline{Very \ Imp.}$$

(1949)

ICAI Module → Exam

⇒ Writing Practice

Sep. $10 + 30 + 31 + 31$
$+ 10$ ⇒ 112 Days

$112 \times 7/8 \, hrs$ ⇒ 700 – 800 Hours

G I
G II

1000 hrs.

Both

7 - 8 hr. Avg.

LIVE + GD Back up.

MOT   AMD