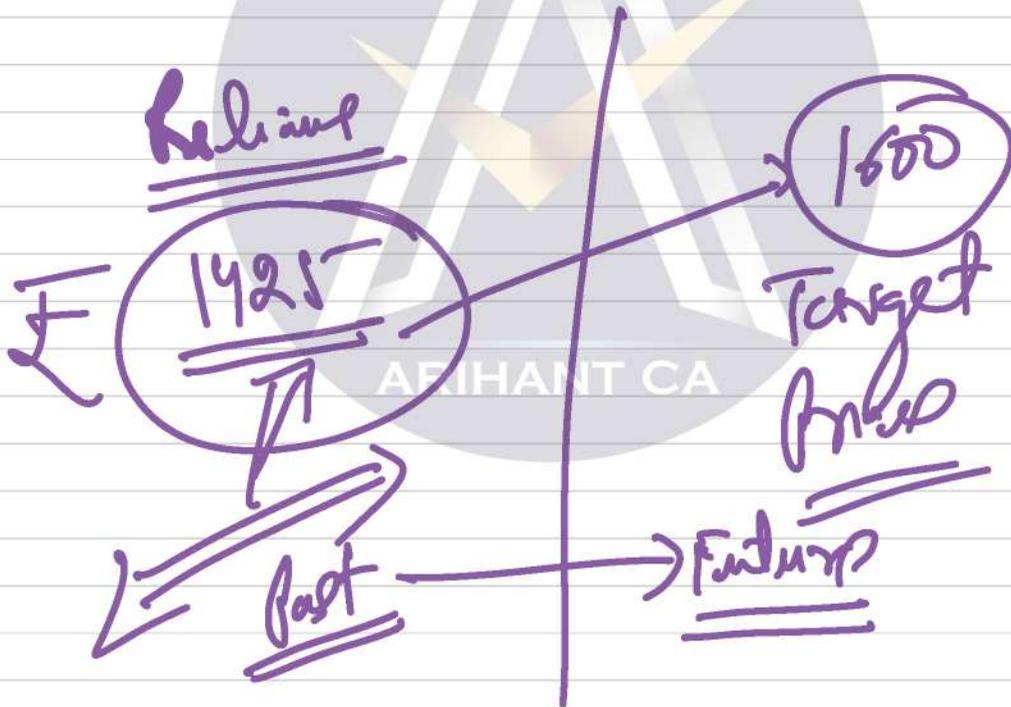


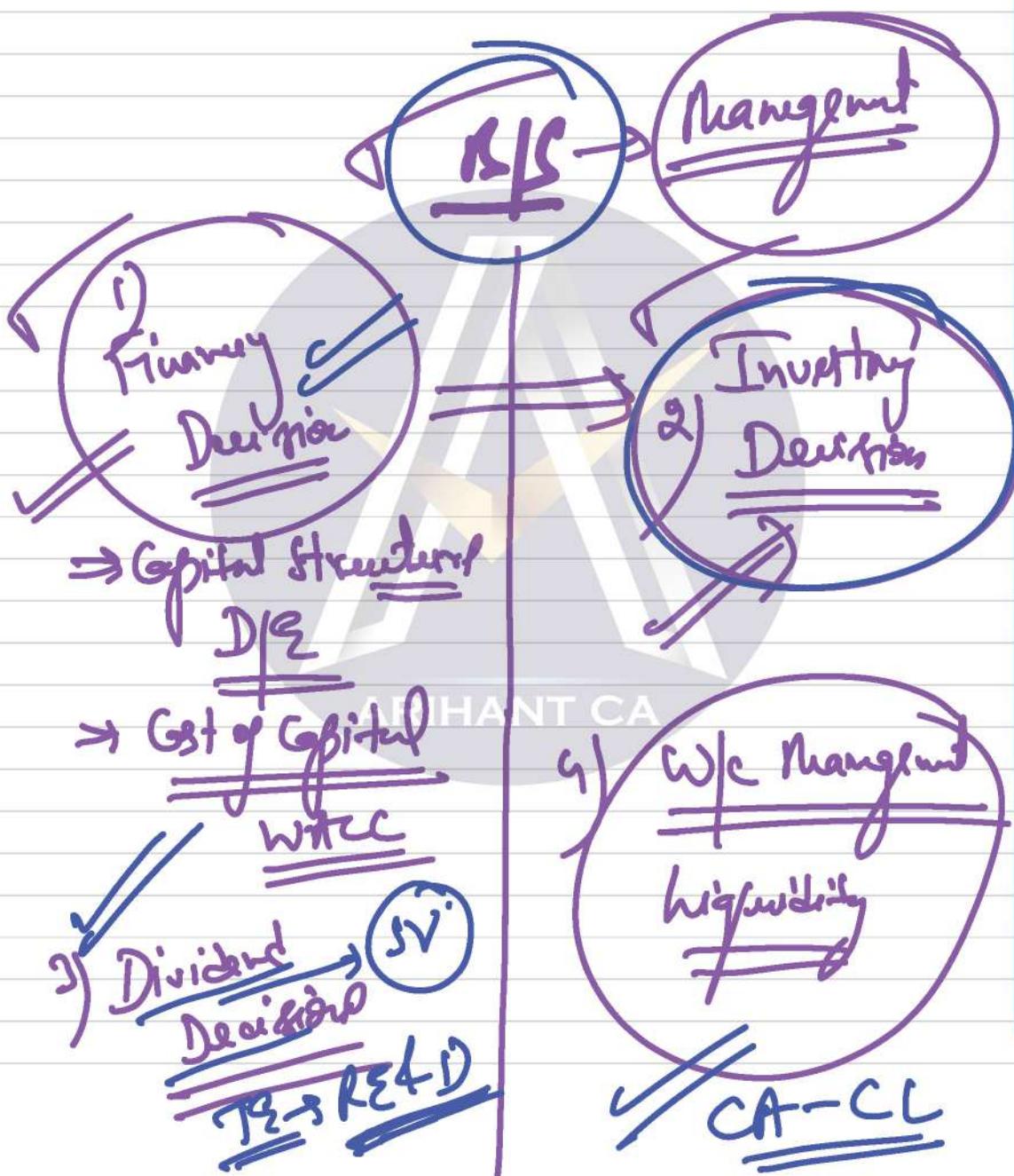
# CA FINAL

## AFM

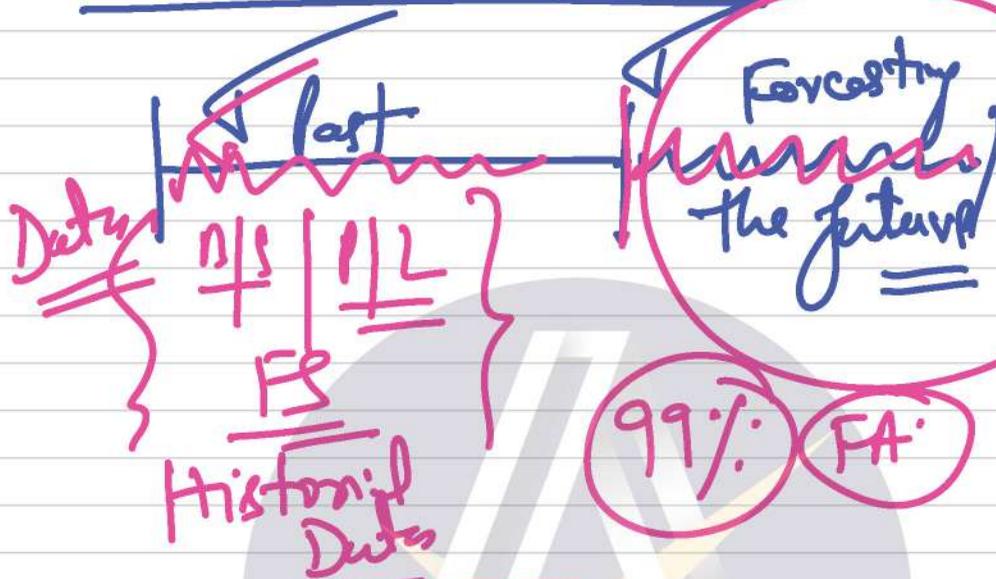
By CA GAURAV JAIN

### INTRODUCTION TO AFM: -





# Fundamental Analysis:-



Obj: - To Cal. IV  
Intrinsic Value

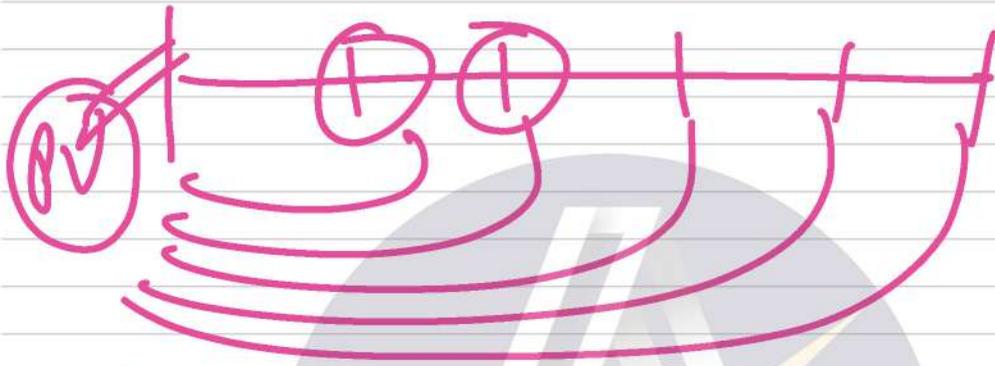
Price  $\rightarrow$  ?  $P_0 \rightarrow$  Share

Pricing Decisions  $P_0 \Rightarrow$  Bond

$NAV_0 \Rightarrow$  MF

$FFP \rightarrow$  Future

FoP  $\Rightarrow$  option  
FK



$P_0 = ?$      $P_0 = ?$      $NPV_0 = ?$

Investment Decision!

Application

Valuation

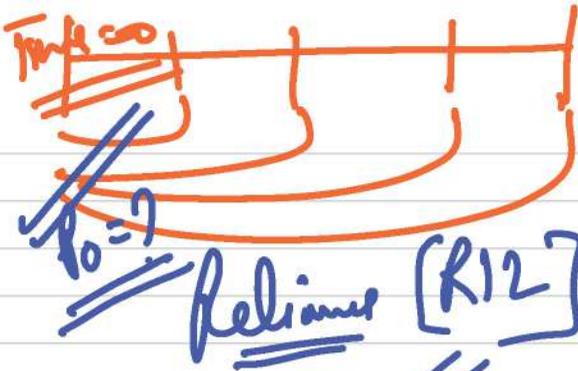


CMP

As per Valuation

$P_0 = ?$  Price of the share as on today.

NSE/BSE



D/S

P<sub>0</sub> = 1600

GxI:

P<sub>0</sub> = ₹ 1600



CMP = 1425

Under-Valued /  
Under-Priced

Buy.

GxII

P<sub>0</sub> ⇒ 1350

CMP = 1425

over-priced  
over-valued

Decision: - Sell #

# Investor is already holding the stock

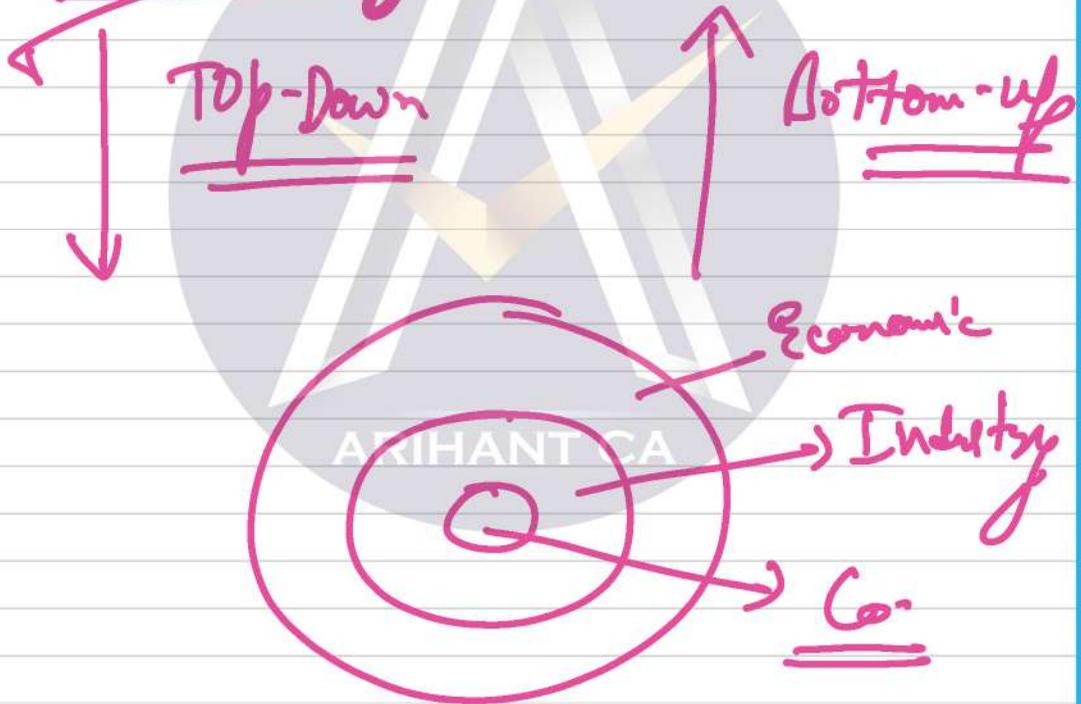
No Holding → "Not to Invest"



Obj: When to Buy & When to Sell

Timing Decision

EC Analysis:-



1) Economic Analysis:-

INDIA / Indonesia / China / Brazil

⇒ Emerging Economies → growth potentiality =

Reason → Population

↳ Macro-Economic factors:-

Syarp  
INDIA

1) GDP/NDP

2) growth rates → Real  
Normal

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) Surveys
- 2) Leading Indicators
- 3) Lagging Indicators

⇒ India



Economic Analysis

Top → Down

## 2) Industry Analysis:-

FMLC

- (i) Product life cycle. ✓✓
- (ii) Demand-Supply gap. ✓✓
- (iii) Barriers of Entry. ✓✓
- (iv) Regulatory & legal Environment ✓✓
- (v) ✓✓

INDIA

1) FMLC

2) IT

3) Banky.

4) Defence → ?

### 3) Co. Analysis:-

Emergency Co.??

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

✓  
✓  
✓

DEML

✓  
✓  
✓

DEL

✓  
✓  
✓

Time Series Analysis.

HAL

2021

2022

2023

2024

2025

ARIHANT CA

3) MKT. Share

4) Operational Efficiency

FATR  
CAIR

ATR  
CETR



Top  
Down  
Approach  
=

Broader sense

Bottom-up  
Approach  
=

Narrow sense

Where to  
Invest = ?

⇒ HAL = ?

- 1) Int. rates futures
  - 2) Bonds → fixed income.
  - 3) Forex
  - 4) Commodities
  - 5) Equities → Worst product
- ARIHANT CA

- ① Derivative → (15) +
- ② Portfolio → (15) +
- ③ Fove + IRM → (15+) +

SV + CV + H/A → 20 + ✓  
Cap Inv + IFM → 10 +  
Theory → 16 +

FM/AFM CA GAURAV JAIN

- 1) Registers
- 2) Calculator → GT function
- 3) Black Pen →

⇒ TVM + SV

GD ⇒ LIVE

50 Days

CFA → NISM  
LI

Module 8

CA Inter-FM

Sep → 20 + 30 + 10

⇒ AFM → 1 hrp ⇒ Reviser  
80%

⇒ Audit → Very Imp.

1749

ICAI Module → Exam

⇒ Writing Practice

Sep. 10 + 30 + 31 + 31

+ 10 ⇒ 112 Days

112 × 7/8 hrs ⇒ 700-800 Hours

GI  
GII

Both

1000 hrs.

7-8 hv. Avg.

# LIVE + GD Backup.

MOT      AMD

