# Contents

## Part I  Introduction to Securities Markets and Investment Management

1  Introduction .......................................................... 3  
   S.R. Vishwanath

2  Introduction to Market Microstructure .......................... 13  
   Chandrasekhar Krishnamurti

3  An Overview of Securities Market Regulation Around the World ........................................... 31  
   Pratip Kar

## Part II  Financial Theories

4  The Capital Asset Pricing Model and Arbitrage Pricing Theory: Theory ..................................... 49  
   S.R. Vishwanath

5  The Capital Asset Pricing Model and Arbitrage Pricing Theory: Tests and Application .................. 81  
   S.R. Vishwanath

## Part III  Financial Statements and Equity Prices

6  Accounting and Financial Analysis .............................. 109  
   Chandrasekhar Krishnamurti and S.R. Vishwanath

7  The Use (and Misuse) of Cash Flow Statements ..................... 139  
   S.R. Vishwanath
8  Prospective Analysis: Guidelines for Forecasting
Financial Statements ......................................................... 155
Ignacio Vélez-Pareja and Joseph Tham

Part IV  Valuation Models

9  The EVA Approach to Investing ............................................ 227
Chandrasekhar Krishnamurti

10  DCF Valuation Models: Free Cash Flow, APV, ECF,
and CCF Valuation Models .................................................. 241
S.R. Vishwanath

11  Valuation Using Multiples ................................................... 261
S.R. Vishwanath

12  Real Options Perspective of Security Analysis ......................... 283
S.R. Vishwanath

13  Investing in Initial Public Offerings
and Depository Receipts ..................................................... 299
T. Jithendranathan

Part V  Equity Options

14  Pricing Equity Options .......................................................... 321
Ravishankar Mateti

15  Investing in Exotic Options ................................................... 359
Kevin Cheng

Part VI  Fixed Income and Credit Sensitive Instruments

16  An Overview of Fixed Income Securities and Markets ............... 383
S.R. Vishwanath

17  Investing in Convertibles, Preferred Stocks, and Warrants ............ 405
Chandrasekhar Krishnamurti and S.R. Vishwanath

18  Managing Fixed Income Portfolios ....................................... 439
Chandrasekhar Krishnamurti

19  Interest Rate Derivatives ..................................................... 453
S.R. Vishwanath and Petko Kalev
<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>The Credit Market</td>
<td>471</td>
</tr>
<tr>
<td></td>
<td>S.R. Vishwanath and Krishnamurti Narasimhan</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Investing in Credit Derivatives</td>
<td>483</td>
</tr>
<tr>
<td></td>
<td>Paul Ali</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Part VII  Active Investments and Market Efficiency</strong></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Market Efficiency: Theory, Tests, and Applications</td>
<td>497</td>
</tr>
<tr>
<td></td>
<td>S.R. Vishwanath</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>An Overview of Mutual Funds and Exchange Traded Funds</td>
<td>517</td>
</tr>
<tr>
<td></td>
<td>S.R. Vishwanath and Chandrasekhar Krishnamurti</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Understanding Active Portfolio Management</td>
<td>539</td>
</tr>
<tr>
<td></td>
<td>Laurence Siegel and Barton Waring</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Measuring Mutual Fund Performance</td>
<td>567</td>
</tr>
<tr>
<td></td>
<td>S.R. Vishwanath</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Hedge Funds</td>
<td>589</td>
</tr>
<tr>
<td></td>
<td>S.R. Vishwanath and Chandrasekhar Krishnamurti</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Investing in Emerging Markets</td>
<td>611</td>
</tr>
<tr>
<td></td>
<td>S.R. Vishwanath</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Part VIII  Behavioral Finance and Summary</strong></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>Behavioral Finance and Investment Strategy</td>
<td>627</td>
</tr>
<tr>
<td></td>
<td>Chandrasekhar Krishnamurti</td>
<td></td>
</tr>
</tbody>
</table>
Investment Management
A Modern Guide to Security Analysis and Stock Selection
Vishwanath, R.; Krishnamurti, C. (Eds.)
2009, XV, 634 p. 67 illus., Hardcover
ISBN: 978-3-540-88801-7