

## *Book Review*

### **LESSONS IN CORPORATE FINANCE**

#### **A CASE STUDIES APPROACH TO FINANCIAL TOOLS, FINANCIAL POLICIES AND VALUATION**

**Asquith, Paul, Weiss, Lawrence A., Wiley Finance Series, John Wiley and Sons, 2016 Edition, Pg. 469, \$ 44.**

The book on Lessons in Corporate Finance: A Case Studies Approach to Financial Tools, Financial Policies and Valuation has been published by Wiley Finance from John Wiley and Sons and has made an excellent coverage of the lessons in Corporate Finance with case studies approach.

This book has been authored by Paul Asquith and Lawrence A. Weiss. Paul Asquith is currently working as Gordon Y. Billard Professor of Finance at MIT's Sloan School where he has been on the faculty for the last 27 years and he is also working as a Research Associate of the National Bureau of Economic Research.

The book containing 21 chapters spread over 469 pages has made the subject of corporate finance live and interesting for the readers by incorporating the real-life case studies of various corporate entities from leading economies of the world.

The preface of the book has vividly covered the summary of the book giving some real-life examples from the financial world including how the rise of share price of Google by 2% led to an increase in the firm's equity value by around 8 billion US dollars.

The book has covered introduction in the first chapter with a focus on two markets of products and capital, tools and techniques, diagrammatical illustration of corporate finance followed by the historical overview of modern finance.

The book has made nice discussion on Cash Flow Management from chapter two to four which is important for organizations to maintain an optimal flow of cash for ensuring the sustainability of the organizations in the market.

Chapters 5 through 12 of the book have covered nicely the various aspects of financial decision making and how the firms take good financial decisions in modern financial world. The chapters have made an excellent attempt to reflect how an organization can create value by making an optimal choice of sources of finance.

Chapters 13 through 16 of the book have made wonderful illustrations of the process of investment decision making by the leading organizations of the world with some real-life examples.

Chapters 17 through 21 have made detailed coverage on LBOs i.e., Leveraged Buy Outs, private equity, and mergers and acquisitions to help the managers and organizations understand how they can use them in the process of financial and investment decision making.

The chapter 22 has covered the thoughts and views of the authors on the various aspects of finance and life in the process of financial and investment decision making.

*Rana Singh*

The book is a perfect source of reading for the students, faculty members, and practitioners of the domain of finance and it has illustrated the knowledge of various financial aspects with a case study approach which leaves an everlasting impact on the minds of the readers. The book is meant for readers who have some basic understanding of the concepts, terms, and terminologies in the domain of finance. The book has adopted a conversational format to enhance the delight of the readers. The case teaching approach towards illustration of the concepts of finance has made the book a must read for one and all in the financial domain.

The book has emphasized the concept of learning by doing approach and has desired that the readers should work with the detailed examples and cases given throughout the book.

The book shall be of immense help to the readers in the process of making sound financing and investment decision apart from strengthening the knowledge, skills, and competencies to manage the overall cash flow of the organization.

The content of this book is rich in knowledge and shall help the finance professionals, academicians, researchers, and students in evolving their financial and product market strategy. The case studies will also enable the readers and researchers in taking sound decisions about capital structure.

The book has also emphasized on the usage of various other tools of financial management including ratio analysis, financial statement analysis, and financial modeling.

The case studies mentioned in the book have focus on the various types of ratios including profitability ratios, activity ratios, liquidity ratios, debt ratios in the process of analyzing the financial health of the organization. All the chapters contain a summary at the end of the chapter to give the readers a concise overview of the entire chapter in the book.

The book has also focused on projection of financial statements with a case based approach. Examples of real life cases have been illustrated to facilitate the readers to get a better understanding about the preparation of proforma financial statements. The author has been posing several questions throughout the book which compels the readers to think, analyze, and become a proactive and strategic learner.

The language of the book is lucid and it is a real pleasure to read this book. The book will be assisting and guiding the readers in case based and practice based approach of learning finance.

This book is very inspiring and thought provoking for the readers in the domain of finance.

**– Rana Singh**

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