



Foundations of Financial Management

17th Edition

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Foundations of Financial Management has built a loyal following due to its strong real-world emphasis, clear writing style, and step-by-step explanations that simplify difficult concepts. The text focuses on the “nuts and bolts” of finance with clear and thorough treatment of concepts and applications. In addition to completing the revisions, Block, Hirt, and Danielsen also revise all end of chapter problems and complete the solutions themselves. The authors know what works and what doesn't work for students, and they have consistently maintained a product that is responsive to the demands of the marketplace.

NEW FEATURES

Key content updates and additions include: In Chapters 9, 10, and 12 (TVM, Valuation, and Capital Budgeting), the authors have included new discussions on how the examples are solved using Excel, financial calculators, and formulas. Newly formatted spreadsheet tables and screen captures detail the step-by-step method to solve the examples. Chapter 11 (Cost of Capital) - The cost of capital material has been revised to illustrate debt costs with calculator keystrokes, the Excel “rate” function, and Excel’s Goal Seek tool. Chapter 14 (Capital Markets) - The entire introduction to the chapter has been revised, and the chapter has been updated to reduce the emphasis on the financial crisis. Chapter 19 (Convertibles, Warrants, and Derivatives) - New tables and discussions have been added to cover pricing patterns for convertible bonds, characteristics of convertible bonds, successful convertible bonds and preferred stocks not yet called, and warrant prices.

New digital illustrations of Time Value of Money (Chapter 9) - new interactive digital illustrations of four key figures that visually relate future values and present values helps those students who are less comfortable with the math.

McGraw-Hill’s Connect Finance offers a number of powerful tools and features to make managing assignments easier and the learning process more accessible and efficient.

- Auto-graded assignments and assessments can be created from end-of-chapter materials and the test bank, including algorithmic problems, and students receive immediate, detailed feedback.
- Guided Examples, created by author Bart Danielsen, help students solve problems by illustrating how to work through a similar problem.
- Excel simulation problems allow students to practice their Excel skills within the context of corporate finance.
- Prep Courses for Math, Statistics, Accounting, Excel, and Economics include tutorial modules with quiz questions to get students up to speed on the basics.
- NEW! Thirty-five cases, written by the authors, are available within Connect and are ideal for a more in-depth analysis of the topics presented in the book.

Within Connect, SmartBook makes study time as productive and efficient as possible. It identifies and closes knowledge gaps through a continually adapting reading experience, which ensures that every minute spent with SmartBook is returned to the student as the most value-added minute possible. The result? More confidence, better grades, and greater success.

Impact of 2017 Tax Cuts and Jobs Act on Chapters and topics

- **Chapter 1** The tax law impacts all types of organizations including C Corporations, S corporations and all forms of pass through structures such as Sole Proprietorships, Partnerships and Limited Liability Companies.
- **Chapter 2.** “tax inversions” - The impact on tax-deductible expenses, depreciation as a tax shield.
- **Chapter 11** The cost of debt capital has changed.
- **Chapter 12** The section on accounting vs. cash flows has been updated to reflect the impact of lower tax rates. The Tax Act impacts the rules of depreciation. The whole section on the replacement decision now reflects lower tax rates and has been comprehensively revised including all tables. The section on elective expensing has been rewritten to reflect the new 2018 tax code.
- **Chapter 16** This chapter has an entirely new section on “Leasing as a Form of Debt” that was driven recent changes in generally accepted accounting standards (GAAP). Appendix 16B on Lease-versus-purchase has been deleted.
- **Chapter 17** Preferred stock has been included as it significantly changes the tax treatment by corporations owning preferred stock of other companies.
- **Chapter 18** The impact of the new tax law on capital gains and dividends is discussed. Because the 2017 Tax Cuts and Jobs Act will allow companies to repatriate over \$1 trillion of cash held overseas and repurchase their common stock.
- **Chapter 20** 2017 Tax Act makes tax inversions unnecessary. The example of a tax loss carry-forward has been modified to reflect a lower corporate tax rate.
- **Chapter 21** The impact of the 2017 tax law on the deferral of taxes on foreign earnings is discussed.

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