

Provided by APF

Academy of Professional Finance 专业金融学院



CFA Level I

Equity

Part 1

CFA Lecturer: Travis Cui





APF-CFA space CFA level 1课程

1. Self Introduction
2. Introduction of Equity
3. Learning tips
4. Simulate quiz





APF-CFA space CFA level 1课程

1. Self Introduction



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CFA level 3 Candidate

Education: MSF (West Virginia University) , BA(UIBE)

Profession: Product manager in Commercial bank

Teaching session : Equity





2. Introduction of Equity

Alternative Assets	12
Derivatives	12
Economics	24
Equity Analysis	24
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Financial Statement Analysis	68
Fixed Income Analysis	24
General Portfolio Management	12
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2. Introduction of Equity

2013

Sesion 13: Equity Market Organization, Market Indices, and Market Efficiency

Reading 46 Market Organization and Structure

Reading 47 Security Market Indices

Reading 48 Market Efficiency

Session 14: Equity Analysis and Valuation

Reading 49 Overview of Equity Securities

Reading 50 Introduction to Industry and Company Analysis

Reading 51 Equity Valuation: Concepts and Basic Tools

2014

Study Session 13 Equity: Market Organization, Market Indices, and Market Efficiency

Reading 46 Market Organization and Structure

Reading 47 Security Market Indices

Reading 48 Market Efficiency

Study Session 14 Equity Analysis and Valuation

Reading 49 Overview of Equity Securities

Reading 50 Introduction to Industry and Company Analysis

Reading 51 Equity Valuation: Concepts and Basic Tools





3. Learning tips

- ① Pursue higher;
- ② The early bird catches the worm;
- ③ Practice makes perfect;
- ④ Learning for practice;





4. Simulate quiz

80. A company has initiated the process of selling unproductive land representing 5% of its total assets and using the proceeds to buy back its common shares. Holding other factors constant, these actions by the company will *most likely* result in a:

- A. higher return on equity.
- B. higher operating margin.
- C. lower sustainable growth.

81. Which of the following is the *most* appropriate reason for using a free-cash-flow-to-equity (FCFE) model to value equity of a company?

- A. FCFE is a measure of the firm's dividend paying capacity.
- B. FCFE models provide more accurate valuations than the dividend discount models.
- C. A firm's borrowing activities could influence dividend decisions but they would not impact FCFE.





4. Simulate quiz

82. The following information is available about a company:

Next year's sales revenue	\$180 million
Next year's net profit margin	15%
Dividend payout ratio	60%
Dividend growth rate expected during Years 2 and 3	25%
Dividend growth rate expected after Year 3	5%
Investors' required rate of return	12%
Number of outstanding shares	8.1 million

The current value per share of the company's common stock according to the two-stage dividend discount model is *closest* to:

- A. \$39.36.
- B. \$49.20.
- C. \$51.20.





Thank You!

