

Frequently used symbols

A_k^N	Annuity factor for N years and an interest rate of k
ABCP	Asset Backed Commercial Paper
ACES	Advanced Computerised Execution System
ADR	American Depositary Receipt
APT	Arbitrage Pricing Theory
APV	Adjusted Present Value
ARR	Accounting Rate of Return
BIMBO	Buy In Management Buy Out
BV	Book Value
Capex	Capital Expenditures
CAPM	Capital Asset Pricing Model
CAR	Cumulative Abnormal Return
CB	Convertible Bond
CD	Certificate of Deposit
CDO	Collateralised Debt Obligation
CE	Capital Employed
CFROI	Cash Flow Return On Investment
COV	Covariance
CVR	Contingent Value Right
D	Debt, net financial and banking debt
d	Payout ratio
DCF	Discounted Cash Flows
DDM	Dividend Discount Model
DECS	Debt Exchangeable for Common Stock; Dividend Enhanced Convertible Securities
DFL	Degree of Financial Leverage
Div	Dividend
DJ	Dow Jones
DOL	Degree of Operating Leverage
DPS	Dividend Per Share
DR	Depositary Receipt
EAT	Earnings After Tax
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
EBRD	European Bank for Reconstruction and Development
ECAI	External Credit Assessment Institution
ECP	European Commercial Paper
EGM	Extraordinary General Meeting
EMTN	Euro Medium Term Note
ENPV	Expanded Net Present Value
EONIA	European Over Night Index Average
EPS	Earnings Per Share
$E(r)$	Expected return
ESOP	Employee Stock Ownership Programme
EURIBOR	EUropean Inter Bank Offer Rate
EV	Enterprise Value

EVA	Economic Value Added
EVCA	European Private Equity and Venture Capital Association
f	Forward rate
F	Cash flow
FA	Fixed Assets
FASB	Financial Accounting Standards Board
FC	Fixed Costs
FCF	Free Cash Flow
FCFF	Free Cash Flow to Firm
FCFE	Free Cash Flow to Equity
FE	Financial Expenses
FIFO	First In, First Out
FRA	Forward Rate Agreement
g	Growth rate
GAAP	Generally Accepted Accounting Principles
GCE	Gross Capital Employed
GCF	Gross Cash Flow
GDR	Global Depository Receipt
i	After-tax cost of debt
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standard
IPO	Initial Public Offering
IRR	Internal Rate of Return
IRS	Interest Rate Swap
IT	Income Taxes
k	Cost of capital, discount rate
k_D	Cost of debt
k_E	Cost of equity
K	Option strike price
KPI	Key Performance Indicator
LBO	Leveraged Buy Out
LBU	Leveraged Build Up
L/C	Letter of Credit
LIBOR	London Inter Bank Offer Rate
LIFO	Last In, First Out
LMBO	Leveraged Management Buy Out
ln	Naperian logarithm
LOI	Letter Of Intent
LSP	Liquid Share Partnership
LYON	Liquid Yield Option Note
m	Contribution margin
MM	Modigliani–Miller
MOU	Memorandum Of Understanding
MTN	Medium Term Notes
MVA	Market Value Added
n	Years, periods
N	Number of years
$N(d)$	Cumulative standard normal distribution
NASDAQ	National Association of Securities Dealers Automatic Quotation system
NAV	Net Asset Value
NM	Not Meaningful
NMS	National Market System
NOPAT	Net Operating Profit After Tax
NPV	Net Present Value
NYSE	New York Stock Exchange
OGM	Ordinary General Meeting
OTC	Over The Counter

P	price
PBO	Projected Benefit Obligation
PBR	Price to Book Ratio
PBT	Profit Before Tax
P/E ratio	Price Earnings ratio
PERCS	Preferred Equity Redemption Cumulative Stock
PEPs	Personal Equity Plans
POW	Path Of Wealth
PRIDES	Preferred Redeemable Increased Dividend Equity Security
PSR	Price to Sales Ratio
P to P	Public to Private
PV	Present Value
PVI	Present Value Index
QIB	Qualified Institutional Buyer
r	Rate of return, interest rate
r_f	Risk-free rate
r_m	Expected return of the market
RNAV	Restated Net Asset Value
ROA	Return On Assets
ROCE	Return On Capital Employed
ROE	Return On Equity
ROI	Return On Investment
RWA	Risk Weighted Assessment
S	Sales
SA	Standardised Approach
SEC	Securities Exchange Commission
SEO	Seasoned Equity Offering
SPV	Special Purpose Vehicle
STEP	Short Term European Paper
SV	Salvage Value
t	Interest rate, discount rate
T	Time remaining until maturity
T_c	Corporate tax rate
TCN	Titres de Créances Négociables
TMT	Technology, Media, Telecommunications
TSR	Total Shareholders Return
V	Value
VAT	Value Added Tax
VC	Variable Cost
V_D	Value of Debt
V_E	Value of Equity
$V(r)$	Variance of return
WACC	Weighted Average Cost of Capital
WC	Working Capital
y	Yield to maturity
YTM	Yield to Maturity
Z	Scoring function
ZBA	Zero Balance Account
β or β_E	Beta coefficient for a share or an equity instrument
β_A	Beta coefficient for an asset or unlevered beta
β_D	Beta coefficient of a debt instrument
$\sigma(r)$	Standard deviation of return
$\rho_{A,B}$	Correlation coefficient of return between shares A and B