

**Федеральное государственное автономное образовательное учреждение
высшего профессионального образования
"Национальный исследовательский университет
"Высшая школа экономики"**

Факультет экономических наук
Департамент финансов

**Рабочая программа дисциплины
«Стратегические финансы фирмы»
(STRATEGIC CORPORATE FINANCE)**

для образовательных программ:
38.04.08.68 «Финансы и кредит» подготовки магистра
«Стратегическое управление финансами фирмы», 2 курс

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Руководитель департамента
И.В. Ивашковская _____

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И.В. Ивашковская _____

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*Настоящая программа не может быть использована другими подразделениями университета и другими
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Syllabus

STRATEGIC CORPORATE FINANCE

Faculty: Economics

Year: 2015

Level: Master, 2nd year

Language: English

Period: Module 1-2

Workload: 64 hours

Lecturers: Irina I. Ivashkovskaya, ivashkovskaya@yandex.ru,

Sergei Kuzubov, skuzubov@hse.ru

Consultants of McKinsey Company.

Course description:

The course will introduce students to the main trends of the strategic financial analysis of the company.

- The main topics include:
 - (1) Methods for financial assessment of corporate strategies in a competitive and risky environment;
 - (2) Financial analysis of corporate strategies from shareholders' and stakeholders' perspectives;
 - (3) The integrated model of value based management and key performance indicators (KPI);
 - (4) Intellectual capital measurement
 - (5) The role of intellectual capital measures and non-financials disclosure in strategic performance analysis.

The course incorporates the up-to-date strategic financial knowledge and provides the better understanding and ability to make optimal strategic decisions by the example of ATKearney, Boston Consulting Group, Holt Value Associates, PriceWaterhouseCoopers, SternStewart&Company, McKinsey, Monitor Group, KPMG.

Particular attention is paid to the main practically-oriented principles of the value based management of the listed corporate benchmarks in the emerging capital markets.

The focus of the course is on the financial measuring of the corporate strategy in emerging capital markets (*e.g. Russian companies*). Students will learn how to execute financial measuring under the financial distress and different types of the macroeconomic turbulence.

Participants are provided with the opportunity to collaborate with each other in small analytical teams. In each team the participant will develop skills of a strategy consultant: to present, to argue and to discuss the main findings and proposals in strategic decision making.

The course is taught in collaboration with the managers and partners of McKinsey Company.

Course objectives:

The main course objective is to summarize the set of new analytical tools to investigate a company as an overall entity and partially by separate business-units.

Finally, after completing the course the student will be able to:

- apply the up-to date financial models in order to measure the *strategic performance* for the particular company;
- develop value drivers tree analysis;
- formalize the financial model to analyze the influence of the strategy with the criteria of *stakeholder value added* according to the pre-determined and given parameters;
- adjust data on capital and income in financial statements for value based analysis and integrated reporting of the company;
- identify and analyze methods, models and empirical findings of *value added (residual income, economic value added, shareholder value creation, cash value added, CFROI and other economic return metrics)* of the companies from emerging and emerged capital markets;
- understand methods of *value disclosure* and the main techniques of expectationjs based management to publish annual reports;
- learn principles and methods, models and empirical findings of the value based benefits planning to understand and develop *executive remuneration schemes* and their alignment with residual income, shareholders' value added, stakeholder value creation, sustainable growth of the firm.

Competencies:

After completing the course the student develops the following competencies:

- is willing to work with information from a variety of sources (IK- 4) – analytical tasks that assume the measurement of the corporate strategy based on the data from financial statements and integrated reporting;
- is willing to work in teams (CJK-7) – cases, analytical tasks based on real information;
- is able to apply new measurement techniques and valuation methods (IK-2) – cases, practical exercises, analytical tasks;
- is able to analyze and interpret financial and analytical information, work with adjusted data from financial statements (IK-7) – cases, practical exercises, analytical tasks.
- is able to get and use the necessary information from open excess to apply it in strategic decision making (IK-4) – cases, analytical tasks.

Recommended Prerequisites:

Statistics, Microeconomics, Macroeconomics, Corporate Finance-Advanced level, Corporate Valuation – Advanced level, International Financial Reporting Standards (MA-level).

Teaching method:

- lectures;
- practical exercises;
- case studies;
- analytical tasks;
- team projects;
- self study;
- final exam.

Grading:

Grading in the course will be based on the following criteria:

- Team presentations 20%
- Essay on the data of Russian companies 15%
- Team home-tasks 15%
- Final exam 50%

Total 100%

Grades criteria:

From	To	Mark
0	3	Not passes
4	5	Satisfactory
6	7	Good
8	10	Excellent

Teaching hours for topics and activities:

<i>Topic</i>	<i>Class (hours)</i>			<i>Self study</i>	<i>Total (hours)</i>
	<i>Lectures</i>	<i>Practice</i>	<i>Total</i>		
1. Financial Measurement of Corporate Strategies: The Principles	4	-	4	10	14
2. Financial Measurement of Corporate Strategies: The Growth Analysis	4	4	8	14	20
3. Financial Models of Strategy Analysis: Economic Value Added (EVA®)	4	8	12	14	26
4. Financial Models of Strategy Analysis: Cash Flow Return on Investments (CFROI™)	4	8	12	14	26
5. The Integrated Value Based Management: Corporate Financial Design	8	4	12	14	26
6. The Market Based Management: Business Excellence Models and Intellectual Capital Design	8	8	16	14	30
Total	32	32	64	80	144

Course outline:**1. Financial Measurement of Corporate Strategies: The Principles**

Financial dimensions of the company: short term and long term horizons. The quality of capital and its measures at different stages of organizational life cycle. The aggregate measure of growth of the company. The stakeholders' approach in management and the challenges towards financial analysis. Strategic non-financial stakeholders and the capital architecture of the company. Intellectual capital structure and components: human capital, clients capital, organizational (structural) capital. Relational capital and its components. Stakeholder value added (STVA) and economic profit stream for non-financial stakeholders. Integrating financial and non-financial types of capital within value creation: the harmonious development concept.

Corporate strategies analysis from the financial standpoint: stakeholder value added paradigm. Enlightened shareholder value. The value(s) based management. Stakeholder value creation. Shareholder value creation (SHV) versus stakeholder value creation (STV). Economic returns ratios. Stakeholder value spread.

Economic profit analysis: the clients' perspective, the personnel perspective, the organizational perspective.

References:

1. Ivashkovskaya I. The financial measurements of corporate strategies. The stakeholders' approach. Moscow. Infra-M. 2013. ch. 1, 3-5.
2. Ivashkovskaya I. Modeling value of the company. The strategic role of the Board of directors. Moscow. Infra-M. 2010. ch. 2-4.

Supplementary references:

1. Ivashkovskaya I., Pirogov N. (2008). The financial analysis of the growth quality of Russian companies. Audit and Financial Analysis. 2008. Vol.6.
2. Ivashkovskaya I. (2007). Financial measurements of corporate strategies. Audit and Financial Analysis. 2007. Vol. 5.
3. Ivashkovskaya I. (2004). The value based management: challenges to the Russian managers. Russian Management Journal. 2004. Vol. 6.

2. Financial Measurement of Corporate Strategies: The Growth Analysis.

Sustainable growth rate analysis from accounting point of view: the benefits and the pitfalls. STV creation: value break even analysis. Financial analysis of quality of growth: SHV perspective. Sustainable growth index (SGI) and its extensions. Types of growth and quality of growth: the matrix analytical techniques. Sustainable growth matrix.

SHV and value break even analysis: threshold margins. STV and value break even analysis: harmonization of stakeholders' interests and corresponding index (IHI). Empirical studies of sustainable growth on the basis of the data in both developed and emerging capital markets.

The integrated model of corporate growth: the studies by Boston consulting group.

References:

1. Ivashkovskaya I. The financial measurements of corporate strategies. The stakeholders' approach. Moscow. Infra-M. 2013. ch. 1, 3-5.
2. Ivashkovskaya I. Modeling value of the company. The strategic role of the Board of directors. Moscow. Infra-M. 2010. ch. 2-4.

Supplementary references:

1. Ivashkovskaya I., Pirogov N. (2008). The financial analysis of the growth quality of Russian companies. 2008. Vol.6.
2. Ivashkovskaya I. (2006). Financial measurements of the company's growth quality. Managing the company. 2006. Vol. 9.
3. Ivashkovskaya I., Zaporozhsky A. (2006). Measuring the performance of the company: non-traditional approach. Managing the company. 2006. Vol. 3.

3. Financial Models of Strategy Analysis: the Economic Value Added®.

Residual Income Model (Feltham *et al.*). The concept of economic value added (EVA®). The types of equity equivalents. The methods of the strategic expenses capitalization. R&D expenses capitalization. Market value added (MVA). Valuing the company by EVA®. EVA® and types of industry (SIC). Corporate rating and ranking by EVA®. Economic value added model extensions: REVA, FEVA.

Comparative and empirical researches in EVA® on the basis of the data in both developed and emerging capital markets.

References:

1. Copeland T., Koller T., Murrin J. Valuation: measuring and managing the value of the company. NJ: John Wiley. 2000 ch. 2-5.
2. Ivashkovskaya I. Modeling value of the company. The strategic role of the Board of directors. Moscow. Infra-M. 2010 ch. 4-6.
3. Volkov D. The theory of value based management. St. Petersburg. 2007. ch. 3-5.

Supplementary references:

1. Stewart. G. The Quest for Value. HarperBusiness. 1999. ch.1-7.
2. Young D., O'Byrne S. EVA and Value Based Management. A Practical Guide to Implementation. McGraw-Hill. 2000. ch.1-2.
3. Martin J. & Petty W. Value Based Management. The Corporate Response to the Shareholder Revolution. Harvard Business School Press. ch. 1-3.
4. Ehrbar A., Stewart G. (2005). The EVA Revolution. Russian Management Journal. 2005. Vol. 3.
5. Feltman G., Mbagwu C., Vaidyanathan G. (2004). Perhaps EVA Does Beat Earnings – Revisiting Previous Evidence. Journal of Applied Corporate Finance. 2004. Vol.16.
6. Fernandez P. (2003). Three Residual Valuation Methods and Discounted Cash Flow Valuation. IESE Business School – University of Navarra Research Paper. 2003.

7. Francis J, Olsson P., Oswald P. (2000). Comparing the Accuracy and Explainability of Dividend, Free Cash Flow, and Abnormal Earnings Equity Value Estimates. *Journal of Accounting Research*. 2000. Vol. 38.
8. Ivashkovskaya I. (2007). Financial measurements of corporate strategies. *Audit and Financial Analysis*. 2007. Vol. 5.
9. O'Byrne S. (1999) EVA and Its Critics. *Journal of Applied Corporate Finance*. 1999. Vol.12.
10. Penman S., Sougiannis T. (2005). A Comparison of Dividend, Cash Flow and Earnings Approaches to Equity Valuation. 2005. Vol. 3.
11. Stern J. (2000). Stern&Stewart Round Table on Financial Strategy for Middle Market Companies. *Journal of Applied Corporate Finance*. 2000. Vol.12.
12. Stern J. (2004). Corporate Governance, EVA, and Shareholder Value. *Journal of Applied Corporate Finance*. 2004. Vol.16.

Supplementary web resources:

1. www.sternstewart.com
2. www.evanomics.com

4. Financial Models of Strategy Analysis: CFROI™

Cash flow return on investments (CFROI™). Gross cash investments, adjusted operating cash flows, terminal cash flow and CFROI™: Boston consulting group, Holt Value Associates. The determinants of fade period. Valuing the company by CFROI™: Holt Dualgrade®. The use of cash flow return on investments in portfolio management: CROCI™.

Comparative and empirical researches in CFROI™ on the basis of the data in both developed and emerging capital markets.

References:

1. Ivashkovskaya I. Modeling value of the company. The strategic role of the Board of directors. Moscow. Infra-M. 2010 ch. 6.
2. Madden J. CFROI™ Valuation. A Total System Approach to Valuing the Firm. Butterworth Heinemann. 2000. ch. 1-6.
3. Young D., O'Byrne S. EVA and Value Based Management. A Practical Guide to Implementation. McGraw-Hill. 2000. ch.9.

Supplementary references:

1. Ivashkovskaya I. (2007). Financial measurements of corporate strategies. *Audit and Financial Analysis*. 2007. Vol. 5.
2. Fama E., French K. (1999). The corporate cost of capital and the return on corporate investment. *The Journal of Finance*. 1999. Vol. 54.
3. Fernandez P. (2003). Three Residual Valuation Methods and Discounted Cash Flow Valuation. IESE Business School – University of Navarra Research Paper. 2003.

5. The Integrated Value Based Management: Corporate Financial Design.

The system of the integrated value based management. The stakeholders' value based management and its components. The stakeholders' value based governance and its components.

The traditional system of financial responsibilities centers within the corporate structure: the cost centers, the profit centers, the investment centers. The value based financial responsibilities centers: introducing value centers.

The pay for performance and traditional financial design of the company. The CEO incentives for value : the methods of integrating into financial design of the company. The determinants and the structure of bonus plans. Bonus banks. Option-based bonus schemes. The empirical researches in pay for performance.

Key performance indicators (KPI). Investor relations and information system. Information that facilitates an assessment of value creation. Practical limitations to the communication of value creation. Value reporting: fundamental concept, guiding principles, structure and content elements. Up-to-date framework of financial and managerial reporting: Value Reporting™ (PriceWaterhouseCoopers, PWC).

References:

1. Ivashkovskaya I. The financial measurements of corporate strategies. The stakeholders' approach. Moscow. Infra-M. 2013. ch. 5.
2. Ivashkovskaya I. Modeling value of the company. The strategic role of the Board of directors. Moscow. Infra-M. 2010. ch. 7.
3. Young D., O'Byrne S. EVA and Value Based Management. A Practical Guide to Implementation. McGraw-Hill. 2000. ch. 3.

Supplementary references:

1. Biddle G., Bowen R., Wallace J. (1999). Evidence on EVA. Journal of Applied Corporate Finance. 1999. Vol.12.
2. Ivashkovskaya I. (2007). Financial measurements of corporate strategies. Audit and Financial Analysis. 2007. Vol. 5.
3. Ivashkovskaya I. (2005). The cost centers. Managing the company. 2005. Vol. 8.
4. Kleiman R. (1999). Some New Evidence on EVA. Journal of Applied Corporate Finance. 1999. Vol.12.
5. Stewart B. (2003). How to Fix Accounting – Measure and Report Economic Profit. Journal of Applied Corporate Finance. 2003. Vol.15.
6. Stern J. (2000). Stern&Stewart Round Table on Financial Strategy for Middle Market Companies. Journal of Applied Corporate Finance. 2000. Vol.12.
7. Brickley C., Smith J., Zimmerman J. (2003). Journal of Applied Corporate Finance. 2003. Vol.15.
8. Hall B. (2004). Transferrable Stock Options and The Coming Revolution in Equity-Based Pay. Journal of Applied Corporate Finance. 2004. Vol.16.
9. Hall B. (2003). Six Challenges in Designing Equity Based Pay. Journal of Applied Corporate Finance. 2003. Vol.15.
10. Hall B. (1999). The Design of Multi-year Stock Plans. Journal of Applied Corporate Finance. 1999. Vol.12.
11. Hodak M. Alignment Exposed: How CEOs are Paid, And What Their Shareholders Get for It. Journal of Applied Corporate Finance. 2004. Vol.16.
12. Hudson N., Pichler K. (2004). Some Design Guidelines for Equity-Based Pay. Journal of Applied Corporate Finance. 2004. Vol.16.
13. Glassman G. (1999). Twelve Ways to Strengthen Your Incentive Plan. Journal of Applied Corporate Finance. 1999. Vol.12.

14. Wallace J. (1998). Adopting Residual Income-Based Compensation Plans. Do You Get What You Pay For? *Journal of Accounting and Economics*. 1998. Vol.24.

Supplementary web resources:

1. www.sternstewart.com
2. www.evanomics.com

6. The Market Based Management: Business Excellence Models and Intellectual Capital Design

Business excellence models and the market-oriented value creation. Key value drivers under the turbulent market conditions. The knowledge value chain versus the resources value chain. The strategic, operational and financial dimensions of the knowledge management. Performance management systems: the balanced scorecard model and its financial perspective. The value creation and business models: the main milestones of the Intellectual Capital Concept. Management perspectives on Intellectual capital (IC): controversial commonalities and asset inimitability. Boundaries, partnering and strategic networks. Renewed 3D-design by new capital types such as networks and innovations (first level of IC). Subcomponents of IC (second level): human capital vs. staff capital; networks capital vs. social capital, relational capital vs. client capital.

Measuring IC by snapshots and dynamic models of gaps & changes. Measuring Intangible Assets (Sveiby) and Assets Mapping (Lev & Gu). Knowledge capitalization and Knowledge Capital Valuation (Lev). Intellectual Value (Stewart). The model of Intellectual Capital Cost. The implied cost of Human capital. Models of IC efficiency and performance relevance (VAIC™). The holistic value approach and IC Index™. The Intellectual capital scorecard. Stylized facts of IC disclosure and value relevance. IC reporting frameworks. Accounting on IC and accounting on Intellectual property. Narrative Reporting and UK Corporate Governance Code. World Benchmarks of financial and managerial reporting on IC: The Value Explorer™ (KPMG), The Value creation framework (Ernst &Young, EY), The Integrated Reporting™ (The International Integrated Reporting Council, IIRC); The voluntary WICI framework™ (World Intellectual Capital Initiative, WICI).

References:

1. Best. R. *Market Based Management*. Prentice Hall. 2012 ch. 3.
2. Edvinsson L. *Intellectual Capital: Realizing Your Company's True Value by Finding Its Hidden Brainpower*. Harper Collins. 1997. ch.1-5.
3. Eccles R. & Krzus M. *One report: Integrated Reporting for a Sustainable Strategy*. Hoboken. NJ: John Wiley. 2012. ch. 3.
4. Beattie V., Smith S. (2013). *Value Creation and Business Models: Refocusing the Intellectual Capital Debate*. 9th EIASM workshop on 'Intangibles, Intellectual Capital and Extra-financial Information'. 2013.

Supplementary references:

1. Ashton, R. H. (2005). Intellectual capital and value creation: A review. *Journal of Accounting Literature*, 2005. Vol. 24.
2. Andriessen D. (2003). IC Valuation & Measurement. Why & How?, Paper for the PMA IC Research Symposium October, Cranfield School of Management. 2003.
3. Bontis N., Dragonetti N., Jacobsen K., Roos G. (1999). The Knowledge Toolbox: A Review of the Tools Available to Measure and Manage Intangible Resources. *European Management Journal*. 1999. Vol. 17.
4. Bontis N., Serenko A. (2004). Meta-Review of Knowledge Management and Intellectual Capital Literature: Citation Impact and Research Productivity Rankings. *Journal of Knowledge and Process Management*. 2004. Vol.11.
5. García-Meca E., Parra I., Larrán M., Martínez I. (2005). The explanatory factors of intellectual capital disclosure to financial analysts?, *European Accounting Review*, 2005. Vol. 14.
6. METI (2005). Guidelines for Disclosure of Intellectual Assets Based Management. Japan: Ministry of Economy, Trade and Industry. 2005.
7. M'Pherson P., Pike S. (2001). Accounting, empirical measurement and intellectual capital. *Journal of Intellectual Capital*. 2001. Vol. 2.
8. Nielsen C. & Bukh P. (2011). What constitutes a business model? The perceptions of financial analysts. *International Journal of Learning and Intellectual Capital*. 2012. Vol. 8.
9. Nielsen C., Fox A. & Roslender R. (2012). From business reporting to business model reporting. Working Paper, University of Aalborg, May. 2012.
10. Pike S., Roos G. (2000). Intellectual Capital measurement and Holistic Value Approach. *Works Institute Journal (Japan)*. 2000.
11. PwC (2013). Business Models: Back to Basics. PricewaterhouseCoopers. 2013.
12. Roos G., Roos G. (1997). Measuring your Company's Intellectual Performance. *Long Range Planning Journal*. Special issue on Intellectual Capital. 1997. Vol. 30.

Supplementary web resources:

1. www.intcap.com
2. www.sveiby.com
3. www.strassmann.com
4. www.corporatelongitude.com
5. www.theiirc.org

The reviewing note (group-task for each team):

1. The detailed summary of models and results of empirical researches on explanatory and forecasting ability of economic profit on the data of developed and emerging capital markets.
2. The comparable review of models and results of empirical researches on the value based executive remuneration on the data of developed and emerging capital markets.
3. The analytical study of models and results of empirical researches on intellectual capital and excellence business models.
4. The principles of strategic financial analysis by the means of CFROI™, EVA®, CVA, Growth Matrix and models.
5. The corporate architecture versus financial architecture: the cost centers, the profit centers, the value and investment centers in the organizational structure.

6. The analysis of CFROI™, EVA®, SVA, Growth Matrix of the particular company and its statements by the means of Financial Modeling in Excel.
7. The EVA® implementation over the remuneration system of the particular company: advantages and disadvantages.
8. The empirical researches of VBM models: methods and results.
9. The principles of stock analysis by the means of CFROI™, EVA® models.
10. The key analytical principles of the Intellectual Capital Concept: value perspective and business excellence modeling.
11. The strategic financial analysis of the capital architecture: VBM concept and Integrated Reported Framework.
12. The strategic financial analysis of the capital architecture: VBM concept and Russian Reported Standards.
13. Value reporting™: experience of implication.
14. The Corporate governance practice and sustainable growth of the corporate value.
15. The key value drivers of the particular company: definition, structure, measurements.
16. The key performance indicators of the particular company: definition, structure, measurements.

The essay and written discourse (individually for each student):

1. The economic profit research on the data of particular Russian in comparison with American companies by the means of different models and approaches.
2. The value drivers' research on the data of particular Russian in comparison with other European companies by the means of different models and approaches.
3. The intellectual capital components' research on the data of particular BRICS companies by the means of different models and approaches.

Mid-term control questions:

1. What are the main principles of strategic financial analysis in terms of VBM concept?
2. How to measure the quality of capital and the value at different stages of organizational life cycle?
3. What are the equity equivalents and what is their role in VBM, especially taking into consideration reporting standards in Russia?
4. What are the main principles of the EVA® analysis?
5. Direct and indirect cash flow methods in EVA® estimation: what are the main differences?
6. Compare original EVA® and its modifications: MVA, SVA and investigate Current Operations Value-COV®, Future Growth Value-FGV®, Wealth Added Index-WAI™, Relative Wealth Added-RWA™ (<http://www.sternstewart.com>), what are the advantages and disadvantages of each model?
7. What are the key distinctions of the CFROI™? Compare CFROI™ with the Shareholders Value added Model? What are the differences in the calculation steps?

8. How to construct the CEO remuneration system on the EVA® basis? What are the main advantages and disadvantages of “executive bonus banking”? What are the differences if the remuneration system is constructed on the CFROI™ basis?
9. What are the changes in corporate budgeting that should be executed in order to implement the EVA® model? Why the ABC-costing should be implemented in order to integrate the VBM system?
10. What are the main principles of Value Reporting™ (PWC)?

Course texts:**The main texts:**

1. Stewart. G. The Quest for Value. HarperBusiness. 1999.
2. Copeland T., Koller T., Murrin J. Valuation: measuring and managing the value of the company. NJ: John Wiley. 2000.
3. Young D. & O’Byrne S. EVA and Value Based Management. A Practical Guide to Implementation. McGraw-Hill. 2000.
4. Martin J. & Petty W. Value Based Management. The Corporate Response to the Shareholder Revolution. Harvard Business School Press. 2000.

Supplementary texts:

1. Best. R. Market Based Management. Prentice Hall. 2012.
2. Eccles R. & Krzus M. One report: Integrated Reporting for a Sustainable Strategy. Hoboken. NJ: John Wiley. 2012.
3. Madden J. CFROI™ Valuation. A Total System Approach to Valuing the Firm. Butterworth Heinemann. 2000.
4. Edvinsson L. Intellectual Capital: Realizing Your Company's True Value by Finding Its Hidden Brainpower. Harper Collins. 1997.
5. Strategic Business Finance. Using Finance for Strategic Advantage. Edited by T. Grundy and K. Ward. Cranfield University. Kogan Page. 1998.
6. Rappoport A. Creating Shareholder Value. The New Standard for Business Performance. The Free Press. New York. 2000.
7. Fernandez P. Valuation Methods and Value Creation. Academic Press. Elsevier Science. 2002.
8. Eccles R., Herz R., Keegan E., Phillips D. The Value Reporting Revolution. Moving Beyond the Earnings Game. NJ: John Wiley. 2001.
9. Walter T., Johanson H., Dunleavy J., Hjelm E.. Reinventing CFO. Moving from Financial Management to Strategic Management. McGraw-Hill. 2000.
10. CFO. Architect of the Corporate Future. PriceWaterhouseCoopers. NJ: John Wiley. 2001.
11. The New Corporate Finance. Where Theory Meets Practice. Ed. by Chew D., McGraw-Hill. 1999.
12. Discussing the Revolution in Corporate Finance. The Stern Stewart Roundtables. Ed. by Chew D, Blackwell Business Series. 1999.

Supplementary texts in Russian:

1. Ivashkovskaya I. The financial measurements of corporate strategies. The stakeholders' approach. Moscow. Infra-M. 2013.
2. Ivashkovskaya I. *et al.* Corporate financial decisions. Empirical analysis of Russian companies. Emerging capital markets. Infra-M. 2013.
3. Ivashkovskaya I. Modeling value of the company. The strategic role of the Board of directors. Moscow. Infra-M. 2010.
4. Volkov D. The theory of value based management. St. Petersburg. 2007.

Supplementary papers:

1. BIS. (2011). *The Future of Narrative Reporting – Consulting on a New Reporting Framework – A Further Consultation*. London: Department for Business Innovation and Skills. Available at: <http://bis.gov.uk/Consultations/future-of-narrative-reporting-further-consultation>, visited 6 January 2012.
2. BIS. (2012). *The Future of Narrative Reporting – The Government Response*. London: Department for Business Innovation and Skills. Available at: <http://bis.gov.uk/assets/biscore/business-law/docs/f/12-588-future-of-narrative-reporting-government-response.pdf>, visited 6 January 2012.
3. Demil B. & Lecocq X. (2010). Business model evolution: in search of dynamic consistency. *Long Range Planning*, 43(2-3), 227-246.
4. EFRAG. (2010). *The Role of the Business Model in Financial Reporting*. Project plan. Brussels: European Financial Reporting Advisory Group.
5. Thornton G. (2011). *A Changing Climate: Fresh Challenges Ahead*. Corporate Governance Review 2011.
6. IASB. (2010). *Management Commentary, Practice Statement*. London: International Accounting Standards Board. Available at: <http://www.ifrs.org/Current+Projects/IASB+Projects/Management+Commentary/IFRS+Practice+Statement/IFRS+Practice+Statement.htm>, visited 6 January 2012.
7. ICAEW. (2009). *Developments in New Reporting Models*. London: Institute of Chartered Accountants in England and Wales.
8. ICAEW. (2010). *Business Models in Accounting: The Theory of the Firm and Financial Reporting*. London: Institute of Chartered Accountants in England and Wales.
9. IIRC. (2011). *Towards Integrated Reporting: Communicating Value in the 21st Century*, Discussion Paper. International Integrated Reporting Council. Available at: <http://www.theiirc.org/the-integrated-reporting-discussion-paper/>, visited 6 January 2012.
10. IIRC. (2012a). Home page, *What is Integrated Reporting*, International Integrated Reporting Council. Available at: <http://www.theiirc.org/>, visited 4 July 2012.
11. IIRC. (2012b). *Draft Outline Framework*, International Integrated Reporting Council. Available at: <http://www.theiirc.org/>, visited 18 July 2012.
12. Linsmeier T. (2011). Business models, measurement and financial instruments. Information for Better Markets Conference 2011, Webcast of presentation available at <http://www.icaew.com/en/technical/financial-reporting/information-for-better-markets/information-for-better-markets-webcasts/ifbm-webcasts-2011>, visited 28 June 2012.
13. PwC (2013). *Business Models: Back to Basics*. PriceWaterhouseCoopers.

Supplementary papers in Russian:

1. Ehrbar A., Stewart G. (2005). The EVA Revolution. Russian Management Journal. 2005. Vol. 3.
2. Ivashkovskaya I. (2007). Financial measurements of corporate strategies. Audit and Financial Analysis. 2007. Vol. 5.
3. Ivashkovskaya I. (2004). The value based management: challenges to the Russian managers. Russian Management Journal. 2004. Vol. 6.
4. Ivashkovskaya I. (2006). Financial measurements of the company's growth quality Managing the company. 2006. Vol. 9.
5. Ivashkovskaya I., Zaporozhsky A. (2006). Measuring the performance of the company: non-traditional approach. Managing the company. 2006. Vol. 3.
6. Ivashkovskaya I., Zaporozhsky A. (2007). Measuring the performance of the company by the means VBM system: possibilities of the Modified Cash Value Added Model (MCVATM). Audit and Financial Analysis. 2007. Vol. 6.
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Supplementary Journals:

1. Journal of Applied Corporate Finance,
2. Journal of Intellectual Capital,
3. Journal of Knowledge Management,
4. Financial Management Journal,
5. Journal of Finance,
6. Journal of Strategic Management,
7. Journal of Corporate Governance,
8. McKinsey Quarterly,
9. CFO Magazine,
10. Electronic Journal of Corporate Finance

Supplementary web resources:

1. www.sternstewart.com
2. www.evanomics.com
3. www.anelda.com
4. www.baruch-lev.com
5. www.measuring-ip.at
6. www.intellectualcapital.se
7. www.vbmresources.com
8. <http://en.cfcenter.hse.ru/>