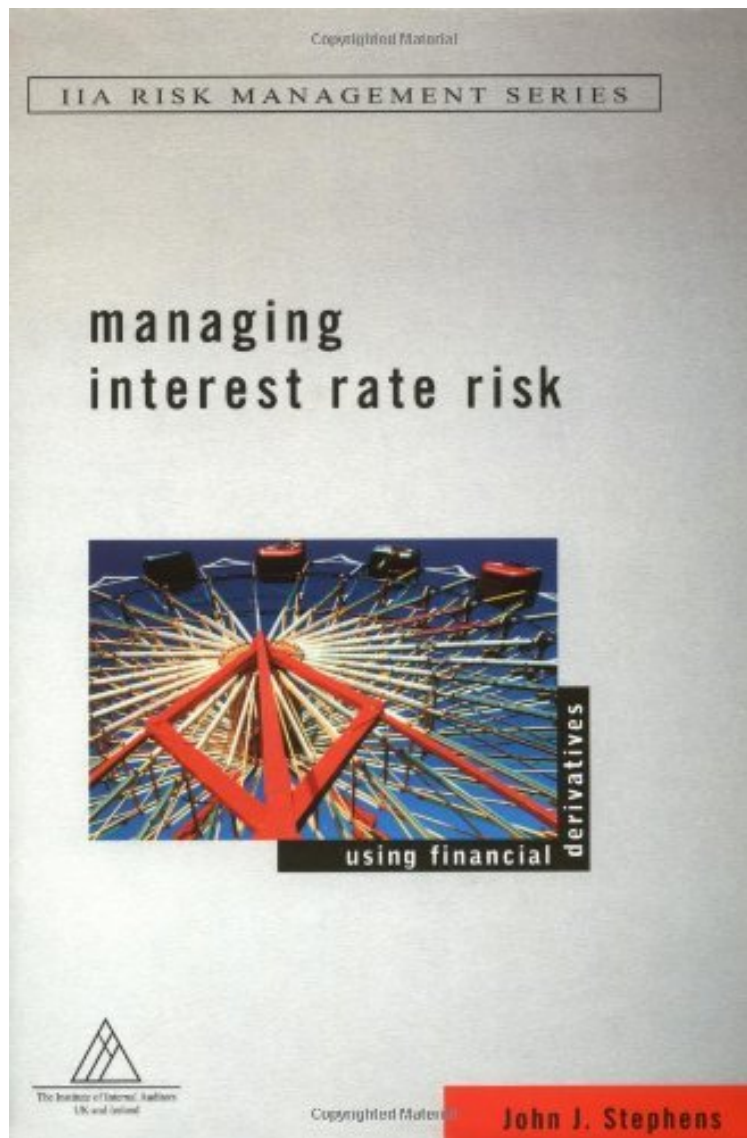


(Download free pdf) Managing Interest Rate Risk: Using Financial Derivatives (Institute of Internal Auditors Risk Management Series)

Managing Interest Rate Risk: Using Financial Derivatives (Institute of Internal Auditors Risk Management Series)

John J. Stephens

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John J. Stephens : Managing Interest Rate Risk: Using Financial Derivatives (Institute of Internal Auditors Risk Management Series) before purchasing it in order to gage whether or not it would be worth my time, and all praised Managing Interest Rate Risk: Using Financial Derivatives (Institute of Internal Auditors Risk Management Series):

As with previous titles in the IIA (Institute of Internal Auditors) series this is a clear and practical guide to a subject of key importance to financial managers. Whether borrowing, investing, saving or trading, a company will always have to take into account the cost of capital and therefore interest rate risk. The highly accessible style explains everything from the basic principles through to the techniques allowing those without prior knowledge to understand the nature and use of a variety of financial tools, including derivative instruments. This is the third part of the trilogy on market risk, the previous two being Managing Currency Risk and Managing Commodity Risk.

From the Inside Flap The effects of interest rate changes on a business can be drastic. Should interest rates change over time, a company can find itself with a burden of debt it is unable to service, or an income that is far less than expected. This can have a very damaging effect on a company's financial performance if it is not anticipated. In this book, John Stephens demonstrates how to manage this risk with the use of financial derivatives. An in-depth knowledge of mathematics, interest rates, or derivatives is not required in order to understand or practice the techniques in this book. The author explains in full the nature and uses of all techniques to manage interest rate risk. This book examines, in a balanced and objective fashion, the extent to which financial derivatives can be used to reduce the exposure of a business to risk. Beginning with a general overview of the definitions, processes and procedures, the book then separately explains in detail each of the individual approaches. Topics dealt with include: Interest spot and FRA markets Interest rate futures contracts Interest rate swaps Interest rate options From the Back Cover Economic conditions can change dramatically over time, requiring significant changes in interest rates. Loans that appeared desirable methods of expansion when taken out can, with a change in interest rates, become massive outgoings that leave the unprepared business exposed to potentially crippling debt. Whether borrowing, investing, saving or trading, a company will always have to take into account the cost of capital and therefore interest rate risk. The efficient management of this risk is essential for the survival of a company and any business that is exposed to such a risk should ensure that it is fully prepared to manage it. Aimed at senior managers within businesses, this book is a practical primer on how to reduce risk from changes in interest rates. About the Author JOHN J. STEPHENS has many years' international business and banking experience. Trained as a lawyer, he subsequently specialised in business related issues and for 10 years was CEO of a management consultancy firm with many large international clients. From 1992 onwards, he worked in the financial services sector for SANLAM and later ABSA Bank, before specialising in futures and options. He now runs a training company specialising in the futures and derivatives markets and is also a non-practicing advocate of the Supreme Court of South Africa.