

Foundations of Finance: Key Concepts, Ratios, and Market Principles

This document serves as a foundational resource for understanding core financial concepts, investment methodologies, and key stock market terms.

1. Key Financial Concepts:

- Compound Interest
- Time Value of Money (TVM)
- Risk vs Return
- Diversification
- Asset Allocation

2. Important Financial Ratios:

- Price to Earnings (P/E) Ratio
- Return on Equity (ROE)
- Debt to Equity (D/E)
- EBITDA Margin
- Current & Quick Ratios

3. Stock Market Fundamentals:

- Bull vs Bear Markets
- Market Capitalization
- IPO (Initial Public Offering)
- Index Funds vs Active Funds
- Fundamental vs Technical Analysis

4. Investment Methodologies:

- Value Investing (inspired by Benjamin Graham)
- Growth Investing
- Dollar-Cost Averaging (DCA)
- Mutual Funds, ETFs, SIPs

5. Behavioral Finance Insights:

- Loss Aversion
- Anchoring Bias
- Herd Mentality
- Overconfidence Bias

6. Book Insights:

- "The Intelligent Investor" by Benjamin Graham: Margin of safety, intrinsic value
- "The Psychology of Money" by Morgan Housel: Behavior over spreadsheets
- "Principles" by Ray Dalio: Radical transparency, systems thinking

Use this document as a grounding source for building vector-based financial advisors or search-augmented GenAI systems.