Chapter 1
- definition of forest management – key elements.

Chapter 2
- What is discounting? Why discount?
- Application of basic financial analysis formulas.

Chapter 3
- What is inflation? How is it measured?
- What is the difference between deflating/inflating and discounting/compounding?
- Real values vs. nominal values.
- Real interest rates vs. nominal interest rates.
- Factors determining the interest rate that an investment should be expected to earn.
- Changing real prices; real rates of price change vs. nominal rates of price change.
  - Estimating rates of price change from historical data.
  - Projecting future prices based on historical trends.
- Properly accounting for inflation in financial analysis problems.

Chapter 4
- Basic principles to apply in selecting a discount rate for a financial analysis.
- Alternative financial criteria: NPV, B/C, and IRR.
  - Be able to define each and know the criterion for project acceptability for each.
  - Compare merits of each criterion.
- Be able to identify which of several mutually exclusive projects should be pursued, based on NPV, B/C, and IRR.

Chapter 5
- Be able to define, calculate and apply terms such as Yield, Annual Increment (Growth), MAI, CMAI, PAI, Compound Interest Rate of Growth.
- What is the significance of the CMAI?

Chapter 6
- Define the LEV and the assumptions it is based on.
- Describe the main uses of the LEV and its significance.
- Be able to calculate an LEV.
- Relationship between the financially optimal rotation and CMAI.
- Explain the marginal analysis of the optimal rotation.
- Apply the marginal analysis of the optimal rotation to explain the effect on the optimal rotation of changes in:
  1) stumpage prices, 2) interest rates, 3) establishment costs, 4) annual costs, 5) taxes.