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## 1. Date of Payment

Date that dividend checks are mailed.

## 2. Date of Record

Date on which holders of record in a firm's stock ledger are designated as the recipients of either dividends or stock rights. Dividends will not be paid to those individuals whose notification of purchase is received by the company after this date.

## 3. Dates Convention

Treating cash flows as being received on exact dates – date 0, date 1, and so forth – as opposed to the end-of-year convention.

## 4. Day Count

A convention for quoting interest rates.

## 5. Day Order

A buy order or a sell order expiring at the close of the trading day.

## 6. Day Trade

A trade that is entered into and closed out in the same day.

## 7. Daylight Overdrafts

Bank payments from deposits held at a Federal Reserve Bank or correspondent bank in excess of actual collected balances during a day.

## 8. Days in Receivables

Average collection period. It measures the average amount of time required to collect an account receivable. Suppose in one company, 80 percent of its customers take the discounts and pay on day 20; the rest pay on day 60. The average collection period is 28 days ( $0.8 \times 20 \text{ days} + 0.2 \times 60 \text{ days}$ ). It is also refers to days' sales outstanding.

## 9. Days Sales Outstanding

Average collection period.

## 10. Days' Receivables

[See **Average collection period**]

## 11. De Facto

Existing in actual fact although not by official recognition.

## 12. De Novo Branch

A newly opened branch.

## 13. Dealer Market

A market where traders specializing in particular commodities buy and sell assets for their own account. Most debt securities are traded in dealer markets. The many bond dealers communicate with one another by telecommunication equipment-wires, computers, and telephones. Investors get in touch with dealers when they want to buy or sell, and can negotiate a deal. Some stocks are traded in the dealer market. The OTC market is an example.

## 14. Dealer Reserve

An account established by a bank and dealer used to assign the interest that accrues to dealers as they sell loans to a bank.

**15. Debenture**

A debenture is an unsecured bond, or a bond that pledges no specific assets as security or collateral. In case of default, debenture holders are treated as general creditors of the firm. The riskiest type of bond is a **subordinated debenture**. [See also **Subordinated debenture**]

**16. Debit Card**

A plastic card that, when used, immediately reduces the balance in a customer's transactions deposit.

**17. Debt**

Loan agreement that is a liability of the firm. An obligation to repay a specified amount at a particular time.

**18. Debt Capacity**

Ability to borrow. The amount a firm can borrow up to the point where the firm value no longer increases. A firm's maximum debt capacity is defined as the point where the advantage derived from an incremental addition of debt to the firm's capital structure is offset by the cost incurred.

**19. Debt Displacement**

The amount of borrowing that leasing displaces. Firms that do a lot of leasing will be forced to cut back on borrowing.

**20. Debt Ratio**

Total debt divided by total assets. This ratio is used to determine a firm's capital structure.

**21. Debt Service**

Interest payments plus repayments of principal to creditors, that is, retirement of debt.

**22. Debtor-in-Possession Financing**

A loan made to a firm which has filed for Chapter 11 bankruptcy protection.

**23. Debt-to-Assets Ratio**

[See **Capital structure ratios**]

**24. Debt-to-Equity Ratio**

[See **Capital structure ratios**]

**25. Decision Trees**

A graphical representation of alternative sequential decisions and the possible outcomes of those decisions. Decision tree can be used to analyze capital budgeting under uncertainty. It can also be used to analyze the option valuation. [See also **Binomial model**]

**26. Declaration Date**

Date on which the board of directors passes a resolution to pay a dividend of a specified amount to all qualified holders of record on a specified date.

**27. Dedicated Capital**

Total par value (number of shares issued multiplied by the par value of each share). Also called dedicated value.

**28. Dedication Strategy**

Cash flow matching on a multi-period basis is referred to as a dedication strategy. In this case, the manager selects either zero-coupon or coupon bonds that provide total cash flows in each period that match a series of obligations. The advantage of dedication is that it is a once-and-for-all approach to eliminating interest rate risk. Once the