Course Code: 0311422

Course Title: Financial Statement Analysis

Course Prerequisite(s) and/or Co-requisite(s): 0311330, 311220

Course Level: Third Year

Credit Hours: 3

Lecture Time:

Course Module Description:
This course is designed to provide the student at the undergraduate level with issues and techniques to develop skills in analyzing financial statements in order to interpret financial statements and to provide useful information for decision making. This will be accomplished using five steps: (1) analyzing the industry and economic environment in which the firm operates; (2) analyzing the firm's business strategy and accounting choices; (3) analyzing recent financial performance and position; (4) analyzing profitability and risk; and (5) estimating the value of the firm.

Course Module Objectives:
After studying this course, the student should be able to:
1. Understand the characteristics of financial statements and economic environment.
2. Recognize the limitations of financial statements
3. Discuss the need for comparative analysis.
4. Identify the tools of financial statement analysis.
5. Analyze firm's liquidity, profitability, and solvency.
6. Forecasting the value of firm.

Course Module Components
- Support material(s) (vcs, acs, etc).
- Study guide(s) (if applicable)
- Homework and laboratory guide(s) if (applicable).

Teaching Methods:
Lectures, discussion groups, tutorials, problem solving, debates, etc.

Learning Outcomes:
Knowledge and Understanding
- Identify and discuss different type of business analysis.
- Describe the purpose of financial statements.
- Understand the characteristics of financial statements and economic environment.
Thinking & Analysis skills
- Analyze firm’s liquidity, profitability, and solvency.
- Analyze earning per share

Practical skills
- Forecasting the value of firm.

Personal development skills
report comparative analysis and provide required information for decision makers

Assessment instruments
- Short reports and/or presentations, and/or Short research projects
- Quizzes, Home works

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<tr>
<th>Assessment Instruments</th>
<th>Mark</th>
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<tr>
<td>First examination</td>
<td>20%</td>
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<td>Second examination</td>
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<td>Final examination 40 marks</td>
<td>40%</td>
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<tr>
<td>Reports, research projects, Quizzes, Home works, Projects</td>
<td>20%</td>
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<tr>
<td>Total</td>
<td>100%</td>
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Documentation and academic honesty
- Documentation style (with illustrative examples)
- Protection by copyright
- Avoiding plagiarism.

Course/module academic calendar

<table>
<thead>
<tr>
<th>week</th>
<th>Hours</th>
<th>Chapter in text</th>
<th>Homework/reports and their due dates</th>
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<tbody>
<tr>
<td>1-2</td>
<td>Overview of Financial Statement Analysis</td>
<td>Ch.1</td>
<td>1-2,1-7,1-8,1-17,1-23, 1-26,E 1-2</td>
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<tr>
<td>3</td>
<td>Financial reporting and analysis</td>
<td>Ch.2 Ch.4 in ref.2</td>
<td>2-13,2-24.2-27</td>
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<td>Relevant Financial Statement Data for Analysis</td>
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<td>and earnings quality</td>
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<td>4-6</td>
<td>Accounting analysis- analyzing financing activities</td>
<td>Ch.3</td>
<td>3-1,3,10,3-11</td>
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<tr>
<td>4</td>
<td>Accounting analysis- analyzing investing activities</td>
<td>Ch.4</td>
<td>4-2</td>
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<tr>
<td>5</td>
<td>Accounting analysis- analyzing operating activities</td>
<td>Ch.6</td>
<td>6-1,6-2,6-34</td>
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<td>4</td>
<td>Cash flow analysis</td>
<td>Ch.7</td>
<td>7-1, 7-4,E7-4,7-5</td>
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<td>4-6</td>
<td>Return on invested capital</td>
<td>Ch.8</td>
<td>8-1, 8-2, E8-1,E8-2,E8-3,E8-5,E8-6, case 8-4</td>
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<td>7-9</td>
<td>Profitability Analysis</td>
<td>Ch. 9</td>
<td>P9-3,P9-4</td>
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<td>9</td>
<td>first Exam</td>
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Expected workload:

On average students need to spend 2 hours of study and preparation for each 50-minute lecture/tutorial.

Attendance policy:

Absence from lectures and/or tutorials shall not exceed 15%. Students who exceed the 15% limit without a medical or emergency excuse acceptable to and approved by the Dean of the relevant college/faculty shall not be allowed to take the final examination and shall receive a mark of zero for the course. If the excuse is approved by the Dean, the student shall be considered to have withdrawn from the course.

Module references

Books


Journal

Web sites : www.mhhe.com/wild 9e