

## Financial Statement Analysis

### Global Program on Economics and Finance (2021 Fall)

<b>Course Title</b>	Financial Statement Analysis		
<b>Credit</b>	3	<b>Credit Hours</b>	48 credit hours
<b>Course Objectives</b>	<p>The objectives of this subject are to expand on the knowledge obtained in Accounting and Financial Management, to further develop students' understanding of the internal and external usefulness of accounting information and to provide business analysis experiences that will enable students to:</p> <p>(1) Explain the relevance of accounting information for business analysis and valuation, and also the limitations of accounting information.</p> <p>(2) Identify and assess accounting distortions in a company's financial statements, and then make necessary adjustments to financial statements that reduce distortions and make the statements amenable to financial analysis.</p> <p>(3) Extend the applications of analytical tools and techniques of financial analysis to meet kinds of objectives after accounting analysis.</p>		
<b>Course Description</b>	<p>This course reveals keys to effective business decisions for investors, creditors, consultants, managers, directors, regulators, etc., by introducing analytical skills of financial statements. Also, the course presents a balanced view of analysis, including both cash and credit analysis, and shows the relevance between accounting information and business analysis to all business decision makers.</p>		
<b>Course Requirements:</b>			
Prerequisites: None.			
<b>Teaching Methods:</b>			
Lecture, group discussion			
<b>Course Schedule</b>			
<b>Week</b>	<b>Chapter</b>	<b>Topic</b>	
1	Chapter 1	<b>Introduction</b> 1.Introduction to business analysis 2.A preview to financial statement analysis	
2	Chapter 2	<b>Analyzing industry and strategy</b> 1.Analyzing industry 2.Analyzing business model 3.Analyzing strategy	
3	Chapter 3	<b>Analyzing the balance sheet</b> 1.Analyzing current assets 2.Analyzing inventories 3.Analyzing Plant assets and Natural Resources	

4	Chapter 3	<b>Analyzing the balance sheet</b> 4. Analyzing Intangibles 5. Analyzing Investment securities 6. Analyzing long-term investments
5	Chapter 3	<b>Analyzing the balance sheet</b> 7. Analyzing liabilities 8. Analyzing shareholder's equity
6	Chapter 4	<b>Analyzing income statement</b> 1. Analyzing the revenues 2. Analyzing the expenses
7	Chapter 4	<b>Analyzing income statement</b> 3. Analyzing the quality of revenue 4. Analyzing the quality of profit
8	Chapter 5	<b>Analyzing statement of cash flows</b> 1. Analyzing operationg activities
9	Chapter 5	<b>Analyzing statement of cash flows</b> 2. Analyzing investing activities 3. Analyzing financing activities
10	Chapter 6	<b>Analyzing ratios</b> 1. Liquidity and working capital 2. Solvency 3. Profitability
11	Chapter 7	<b>Stock Valuation</b> 1. Methods of valuation 2. Application of methods
12		<b>Group presentation</b>

**The design of class discussion or exercise, practice, experience and so on:**

Lecture: 36 credit hours

Group Discussion: 12 credit hours

**Grading & Evaluation:**

	Assessment Types	Weight
1	Group discussion	30%
2	Report presentation	30%
	Financial analysis report	40%

**Teaching Materials & References:**

Financial Statement Analysis, K. R. Subramanyam, John J. Wild, The Eleventh edition, McGraw-Hill/Irwin