

FIN3113 FINANCIAL STATEMENT ANALYSIS

AY2020/2021 Semester 1

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MODULE DESCRIPTION

Financial statements of publicly listed companies are primary inputs for many business decisions such as investment and credit decisions. This module provides a conceptual framework for analyzing these financial statements. It begins with a review of the basic ideas in financial accounting, and then progresses to techniques such as financial ratios and specific topics including long-term assets, valuation of a business and quality of earnings. In light of the globalization of business, special attention will be devoted to the challenges in understanding financial statements from different countries. Topical issues such as accounting irregularities and frauds will also be covered. At the end of the module, the students would have developed a greater awareness of the business world and mastered an arsenal of analytical techniques to handle most business situations.

LEARNING OUTCOMES

On completion of this module, students will be able to:

- analyze financial statements from the viewpoints of investors, creditors, and management
- interpret financial statements and related reports of companies
- understand the process that generates accounting numbers and its implications for the quality of those numbers for decision purposes
- understand the business environment a company operates in and the company's financial, accounting, and operating strategies
- use different tools for assessing a company's performance, such as financial ratios, cash flow analysis, and forecasting techniques
- value a company by using valuation models
- understand the techniques for special issues such as accounting for long-term assets and international financial reporting
- comment on topical issues such as accounting irregularities and frauds

A detailed schedule for each week will be provided before start of module.

PRECLUSION

Students who have completed any module on financial statement analysis need not take this module.

PREREQUISITE

Students must have completed modules on introductory financial accounting.

READINGS

Revsine, Collins, Johnson, Mittelstaedt, Soffer, *Financial Reporting and Analysis*, 7th Edition, 2018, McGraw-Hill ISBN: 978-1-259-72265-3

Cases will be ordered for students.

ASSESSMENTS

The following is subject to changes depending on final enrolment number:

Component	Weight
Individual	
• Class Participation	20%
• Mid-Term Test	25%
• Assignment	25%
Team	
• Project & Presentation	30%
Total	100%

ACADEMIC HONESTY & PLAGIARISM

Academic honesty is essential for the pursuit and acquisition of knowledge. The University and School expect every student to uphold academic integrity & honesty at all times. Academic dishonesty is any misrepresentation with the intent to deceive, or failure to acknowledge the source, or falsification of information, or inaccuracy of statements, or cheating at examinations/tests, or inappropriate use of resources.

Plagiarism is 'the practice of taking someone else's work or ideas and passing them off as one's own' (The New Oxford Dictionary of English). The University and School will not condone plagiarism. Students should adopt this rule - You have the obligation to make clear to the assessor which is your own work, and which is the work of others. Otherwise, your assessor is entitled to assume that everything being presented for assessment is being presented as entirely your own work. This is a minimum standard. In case of any doubts, you should consult your instructor.