



University of
New Haven

Financial Statement Analysis

SECTION I: Course Overview

UNH Course Code: FIN335BCN/ACC335BCN

Subject Area: Finance, Accounting

Prerequisites: See Below

Language of Instruction: English

Contact Hours: 45

Recommended Credits: 3

COURSE DESCRIPTION

This course provides an international perspective to the study of financial accounting by looking at the analysis and evaluation of financial reports. The main goal of this course is to learn how to analyze the financial performance of an organization through the use of published financial information.

In the first section of the course, students will be familiarized with the elements of financial statements including: Balance sheets, Income statements, the statement of cash-flows, the statements of retained earnings, and the notes to the financial statements. The second section of this course will then focus on international accounting differences between the US GAAP and the International Standards (IFRS) and the tendencies towards harmonization. During this section, the course will also deal with creative accounting as well as accounting manipulation and scandals.

In the third and final section of the course, students will carry out a financial ratio analysis to interpret financial statements. This analysis will allow students to both evaluate the performance of one business as well as analyze business opportunities from a financial standpoint.

This course will help students understand the complexities and purpose of financial accounting along with its limitations. The overall goal of this course is to equip students to better understand financial accounting concepts and approaches in relation to business in order to make sound financial management decisions.

Course activities are based on worksheets with exercises related to each topic studied in class. The course will also use current articles and videos from business newspapers and magazines to be discussed on a daily basis to motivate class discussion and participation.

LEARNING OBJECTIVES

Upon successful completion of this course, you will be able to:

- Analyze financial statements of companies and make recommendations
- Develop problem-solving skills and strategies to make decisions based on financial information
- Evaluate the performance of one company and compare it with its competitors
- Describe the importance of globalization in international accounting
- Defend your opinions and provide arguments with evidence obtained from research and analytical techniques when discussing case studies
- Produce effective written communications and oral expositions on topics related to financial statement analysis

PREREQUISITES

Prior to enrollment, this course requires you to have completed previous coursework in Introductory Accounting is required.

CROSS-LISTED COURSE

Due to the interdisciplinary nature of the content, this course is cross-listed with Finance (FIN335BCN) as well as Accounting (ACC335BCN). The instructor will provide directions during the first week of class regarding how to choose your desired course code.

SECTION II: Instructor & Course Details

INSTRUCTOR DETAILS

Name:	TBA
Contact Information:	TBA
Term:	SEMESTER

ATTENDANCE POLICY

This course will meet twice weekly for 90 minutes each session. All students are expected to arrive on time and prepared for the day's class session.

CEA enforces a mandatory attendance policy. You are therefore expected to attend all regularly scheduled class sessions, including any field trips, site visits, guest lectures, etc. that are assigned by the instructor. The table below shows the number of class sessions you may miss before receiving a grade penalty.

ALLOWED ABSENCES – SEMESTER		
Courses Meeting X day(s) Per Week	Allowed Absence(s)	Automatic Failing Grade at X th absence
Courses meeting 2 day(s) per week	2 Absences	8 th Absence

For every additional absence beyond the allowed number, your final course grade will drop down to the subsequent letter grade (ex: A+ to A). As a student, you should understand that the grade penalties will apply

The instructor reserves the right to make changes or modifications to this syllabus as needed

if you are marked absent due to tardiness or leaving class early. In the table below, you will find the grade penalty associated with each excessive absence up to and including automatic course failure.

ATTENDANCE DOCKING PENALTIES								
Absence	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th
Penalty	No Penalty	No Penalty	0.5 Grade Docked	1 Grade Docked	1.5 Grades Docked	2 Grades Docked	2.5 Grades Docked	Automatic Failure
HIGHEST POSSIBLE GRADE AFTER ATTENDANCE PENALTIES								
Grade	A+	A+	A	A-	B+	B	B-	F

CEA does not distinguish between excused and unexcused absences. As such, no documentation is required for missing class. Similarly, excessive absences, and the grade penalty associated with each, will not be excused even if you are able to provide documentation that shows the absence was beyond your control. You should therefore only miss class when truly needed as illness or other unavoidable factors may force you to miss a class session later on in the term.

GRADING & ASSESSMENT

The instructor will assess your progress towards the above-listed learning objectives by using the forms of assessment below. Each of these assessments is weighted and will count towards your final grade. The following section (Assessment Overview) will provide further details for each.

Class Participation	10%
Homework Assignments & Case Studies	15%
Midterm Exam	20%
Documentary Film Activity	5%
Final Project	25%
Final Exam	25%

The instructor will calculate your course grades using the CEA Grading Scale shown below. As a CEA student, you should understand that credit transfer decisions—including earned grades for courses taken abroad—are ultimately made by your home institution.

CEA GRADING SCALE			
Letter Grade	Numerical Grade	Percentage Range	Quality Points
A+	9.70 – 10.0	97.0 – 100%	4.00
A	9.40 – 9.69	94.0 – 96.9%	4.00
A-	9.00 – 9.39	90.0 – 93.9%	3.70
B+	8.70 – 8.99	87.0 – 89.9%	3.30
B	8.40 – 8.69	84.0 – 86.9%	3.00
B-	8.00 – 8.39	80.0 – 83.9%	2.70
C+	7.70 – 7.99	77.0 – 79.9%	2.30
C	7.40 – 7.69	74.0 – 76.9%	2.00
C-	7.00 – 7.39	70.0 – 73.9%	1.70

The instructor reserves the right to make changes or modifications to this syllabus as needed

D	6.00 – 6.99	60.0 – 69.9%	1.00
F	0.00 – 5.99	0.00 – 59.9%	0.00
W	Withdrawal	N/A	0.00
INC	Incomplete	N/A	0.00

ASSESSMENT OVERVIEW

Class Participation (10%): Student participation is mandatory for all courses taken at a CEA Study Center. The instructor will use the rubric below when determining your participation grade. All students should understand that attendance and punctuality are expected and will not count positively toward the participation grade.

CLASS PARTICIPATION GRADING RUBRIC	
Student Participation Level	Grade
You make major & original contributions that spark discussion, offering critical comments clearly based on readings, research, & theoretical course topics.	A+ (10.0 – 9.70)
You make significant contributions that demonstrate insight as well as knowledge of required readings & independent research.	A/A- (9.69 – 9.00)
You participate voluntarily and make useful contributions that are usually based upon some reflection and familiarity with required readings.	B+/B (8.99 – 8.40)
You make voluntary but infrequent comments that generally reiterate the basic points of the required readings.	B-/C+ (8.39 – 7.70)
You make limited comments only when prompted and do not initiate debate or show a clear awareness of the importance of the readings.	C/C- (7.69 – 7.00)
You very rarely make comments and resist engagement with the subject. You are not prepared for class and/or discussion of course readings.	D (6.99 – 6.00)
You make irrelevant and tangential comments disruptive to class discussion. You are consistently unprepared for class and/or discussion of the course readings.	F (5.99 – 0.00)

Homework Assignments & Case Studies (15%): You are expected to deliver worksheets and solutions to problems delivered each class session. These assignments may be individual and/or group assignments. Additionally, each student should read the case study assigned before each session and be prepared to deliver an analysis about it.

Documentary Film Activity (5%): You are expected to deliver a one page summary and/or opinion about the documentary film *Enron: The Smartest Guys in the Room*. Students must participate during the documentary debate.

Final Project (25%): In this project, you will analyze the financial statements of two companies from the same industry for two years. You must use the techniques learned during the course. You will need to analyze and evaluate the recent performance of these firms, prepare a written analysis, and then present findings and recommendations. This project will help you to develop the ability to understand, analyze, and make decisions based on financial information—these skills are essential to every professional business career. Late work will

not be admitted under any circumstance. The written project will count for 10% of the final grade and the oral presentation will count for 10% of the final grade.

Midterm & Final Exams (45% total): The midterm & final exams will cover all material studied during the course including: theory, worksheets, case studies, and final projects. The format will be a set of exercises. The final exam is not cumulative.

AICAP ACTIVITIES

The AICAP activities selected for this course were chosen for their relevance to the course's learning objectives. While these activities may not be mandatory, you are highly encouraged to attend. Please check the Forms of Assessment section to find out if AICAP activities are related to any specific form of assessment.

1. Creating brand & business: *Room Mate* hotels visit

REQUIRED READINGS

Reading assignments for this course will come from the required text(s) and/or the selected reading(s) listed below. All required readings—whether assigned from the text or assigned as a selected reading—must be completed according to the due date assigned by the course instructor.

- I. **REQUIRED TEXT(S):** You may purchase the required text(s) prior to departure or upon program arrival. The required text(s) are listed below:

Walter T. Harrison, Charles T. Horngren, C. William Thomas, Wendy. M Tietz - *Financial Accounting Global Edition*. 11th edition (2018), 779pp.

Paul Kimmel, Jerry Weygandt and Donald Kieso – *Financial Accounting Tools for Business Decision Making*. 8th edition (2016) 808pp.

RECOMMENDED READINGS

The recommended reading(s) and/or text(s) for this course are below. These recommended readings are not mandatory, but they will assist you with research and understanding course content.

Roman L. Weil, Katherine Schipper, Jennifer Francis, Weill Stickney, *Financial Accounting*. An Introduction to methods and uses. 14th Edition (2017), 864pp.

ADDITIONAL RESOURCES

In order to ensure your success abroad, CEA has provided the academic resources listed below. In addition to these resources, each CEA Study Center provides students with a physical library and study areas for group work. The Academic Affairs Office at each CEA Study Center also compiles a bank of detailed information regarding libraries, documentation centers, research institutes, and archival materials located in the host city.

- **UNH Online Library:** As a CEA student, you will be given access to the online library of CEA's School of Record, the University of New Haven (UNH). You can use this online library to access databases and additional resources while performing research abroad. You may access the UNH online library [here](#) or through your MyCEA Account. You must comply with UNH Policies regarding library usage.
- **CEAClassroom – Moodle:** CEA instructors use Moodle, an interactive virtual learning environment. This web-based platform provides you with constant and direct access to the course syllabus, daily schedule of class lectures and assignments, non-textbook required readings, and additional resources.

The instructor reserves the right to make changes or modifications to this syllabus as needed

Moodle includes the normal array of forums, up-loadable and downloadable databases, wikis, and related academic support designed for helping you achieve the learning objectives listed in this syllabus.

During the first week of class, CEA academic staff and/or faculty will help you navigate through the many functions and resources Moodle provides. While you may print a hard copy version of the syllabus, you should always check Moodle for the most up-to-date information regarding this course. The instructor will use Moodle to make announcements and updates to the course and/or syllabus. It is your responsibility to ensure that you have access to all Moodle materials and that you monitor Moodle on a daily basis in case there are any changes made to course assignments or scheduling.

To access Moodle: Please log-in to your MyCEA account using your normal username and password. Click on the “While You’re Abroad Tab” and make sure you are under the “Academics” sub-menu. There you will see a link above your schedule that says “View Online Courses” select this link to be taken to your Moodle environment.

- **Online Reference & Research Tools:** The course instructor has identified the resources below to assist you with understanding course topics. You are encouraged to explore these and other avenues of research including the databases available via the UNH online library.

Accounting Coach (<http://www.accountingcoach.com>)

Bloomberg (<http://www.bloomberg.com>)

Financial Times (www.ft.com)

Google Finance (www.google.com/finance)

International Financial Reporting Standards (<http://www.ifrs.org/Pages/default.aspx>)

Investopedia (<http://www.investopedia.com>)

Marketwatch (<http://www.marketwatch.com>)

US Securities and Exchange Commission - Company Filings
(<https://www.sec.gov/edgar/searchedgar/companysearch.html>)

Wall Street Journal. (<http://online.wsj.com>)

COURSE CALENDAR
Financial Statement Analysis

SESSION	TOPICS	ACTIVITY	READINGS & ASSIGNMENTS
1	Introduction to course Review of syllabus, Classroom Policies	Overview of day's activities in class	None
2	Introduction to Financial Accounting & Financial Statements: The Nature of Accounting & the Importance of Information The Role & Objectives of Accounting Major Users of Accounting Information Accounting Systems	Lecture & Discussion	Readings: Kimmel Ch 1 (pp. 2-45)
3	The Balance Sheet (I): The Balance Sheet Equation Elements of a Balance Sheet: The Owners' Equity, Assets & Liabilities	Lecture & Discussion	Readings: Kimmel Ch 2 (pp. 46-50) Harrison Ch 2 (pp 60-82)
4	The Balance Sheet (II): Preparation of the Balance Sheet The Financial Position/Condition of a Company	Work on exercises	Assignment: Worksheet
5	The Balance Sheet (III): Balance Sheet Structure & the Most Important Accounts	Lecture & Discussion	Readings: Kimmel Ch 2 (pp. 57-61)
6	The Income Statement (I): Revenues & Expenses: Examples & classes	Lecture & Discussion	Readings: Kimmel Ch 2 (pp. 53-56)
7	The Income Statement (II): Preparation of the Income Statement Reporting the Results of a Business's Activities Over a Particular Period of Time	Work on exercises Discussion	Readings: Kimmel Ch 2 (pp. 52-53) Harrison Ch 4 (PP. 207-225) Assignment: Worksheet
8	The Statement of Cash Flows: Relationships Among Financial Statements	Lecture & Discussion	Readings: Kimmel Ch 12 (pp. 624-687)

The instructor reserves the right to make changes or modifications to this syllabus as needed

9	The Statement of Retained Earnings & the Notes to the Financial Statements	Work on exercises Discussion	Readings: Harrison Ch 4 (pp. 207-218) Assignment: Worksheet
10	International Accounting Differences (I): US GAAP & IASB IFRS adoption or convergence	Lecture & Discussion	Readings: Harrison Appendix C & D
11	International Accounting Differences (II): Internationalization of Accounting Standards?	Work on exercises Video or Article & Discussion	Assignment: Worksheet
12	Working Day	Discuss & work for the final presentation with the professor	*Submit half page about the main final presentation issues
13	MIDTERM EXAM		
14	Creative Accounting & Accounting Manipulation	Lecture & Discussion	Readings: Harrison Ch 5 (pp. 253-268)
15 & 16	Accounting Manipulation & Scandals	Documentary Film Activity: Enron: The Smartest Guys in the Room	Assignment: Worksheet
17	Financial Statement Analysis (I): Horizontal & vertical analysis, the working capital	Lecture & Discussion	Readings: Harrison Ch 12 (pp. 702- 713)
18	Financial Statement Analysis (II): Ratio Analysis: Liquidity, solvency & profitability	Work on exercises	Assignment: Worksheet
19	Financial Statement Analysis: (III): Ratio Analysis: Efficiency & investment return	Lecture & Discussion	Readings: Kimmel Ch 13 (pp. 646-709)
20	Financial Statement Analysis (IV): Ratio Analysis: Efficiency & Investment Return	Work on exercises	Assignment: Worksheet
21	Financial Statement Analysis (V): Other Indicators	Lecture & Discussion	Readings: Harrison Ch 12 (pp. 714-732)

The instructor reserves the right to make changes or modifications to this syllabus as needed

22	Case Studies (I)	Work on exercises	Readings: Kimmel - Appendix A-D (pp. A1-A32) Harrison Appendix A
23	Case Studies (II)	Work on exercises	Assignment: Worksheet
24	Final Presentations (I)	Project Presentation	Submit Final Presentations
25	Final Presentations (II)	Project Presentation	Review day
26	Exam Review	Work on exercises	Review day
27	FINAL EXAM		

The instructor reserves the right to make changes or modifications to this syllabus as needed

SECTION III: CEA Academic Policies

The policies listed in this section outline general expectations for CEA students. You should carefully review these policies to ensure success in your courses and during your time abroad. Furthermore, as a participant in the CEA program, you are expected to review and understand all CEA Student Policies, including the academic policies outlined on our website. CEA reserves the right to change, update, revise, or amend existing policies and/or procedures at any time. For the most up to date policies, please review the policies on our website.

Class & Instructor Policies can be found [here](#)

General Academic Policies can be found [here](#)