



University of Management and Technology

School of Business and Economics

Course Title: Financial Statements Analysis
Course Code: FN635
Resource Person:
Department: Department of Finance

SBE Vision

SBE envisions its success in the sustainable contribution that it will make to the industry, academia and research in public and private sector. SBE will lead by providing professionally competent and ethically conscious human resources engaged in the global and local context to foster socio-economic growth and sustainability for the society. SBE envisages having faculty with high research potential and a deep desire for cutting edge research including collaboration with national and international partners.

SBE Mission

Being a research-oriented and student-centric business school, we emphasize research publications in impact journals as well as state-of-the-art learning methodologies. We will prepare our students to become the future ethical business leaders and the guiding post for the society, while equipping them with the knowledge and skills required by world-class professionals. We will be the leading choice for organizations seeking highly talented human resource. SBE will foster internationalization with key stakeholders and actively work to exchange best practices with business schools across Pakistan through collaborations, workshops, conferences and other means.

Program Objectives

- To hone participants' abilities through a well-developed and diversified program designed to equip graduates with essential leadership skills.
- To develop participants' expertise in order to increase their resourcefulness in better decision-making.
- To prepare participants for steering an organization through the difficult and turbulent global and domestic environment and enable the development of an implementable strategic business plan that not only addresses the financial but social and environmental issues as well.
- To produce students who have well-rounded entrepreneurial skills - who not only have great ideas, but can also make things happen by starting their own ventures.
- To enhance the proficiency of the students and groom them to deal with the complex business situations.

Course Objectives

The course aims to provide students with an understanding of the use of the financial statements and to develop skills in the analysis of financial statements for economic decision-making. Students will develop expertise in analyzing financial statements for investments, credit, business and management decisions. We will also learn how investment professionals and analysts identify potential opportunities and avoid pitfalls for senior management decision-making.

Learning Objectives

- To understand & analyze the business environment along with the various components of financial statements
- To analyze different tools for firm's analysis
- To analyze working capital, cash flows and different ways to check the performance
- To analyze the profitability & return on investments in business
- To analyze the short term liquidity clubbed with capital structure and solvency analysis
- To understand international practices on sustainable finance and ethical integrated reporting

Learning Outcomes

On successful completion of this course, students will be able to:

- Ask and seek relevant information
- Analyze financial statement for business decision making
- Differentiate between factual and creative financial reporting

Teaching Methodology

Interactive Classes
Case based teaching
Class activities
Applied Projects
Experiential Learning

STUDENTS ARE REQUIRED TO READ AND UNDERSTAND ALL ITEMS OUTLINED IN THE PARTICIPANT HANDBOOK

Class Policy:-

- **Be On Time**
You need to be at class at the assigned time. After 10 minutes past the assigned time, you will be marked absent.
- **Mobile Policy**
TURN OFF YOUR MOBILE PHONE! It is unprofessional to be texting or otherwise.

- **Email Policy**
READ YOUR EMAILS! You are responsible if you miss a deadline because you did not read your email. Participants should regularly check their university emails accounts regularly and respond accordingly.
- **Class Attendance Policy**
A minimum of 80% attendance is required for a participant to be eligible to sit in the final examination. Being sick and going to weddings are absences and will not be counted as present. You have the opportunity to use 6 absences out of 30 classes. Participants with less than 80% of attendance in a course will be given grade 'F' (Fail) and will not be allowed to take end term exams. International students who will be leaving for visa during semester should not use any days off except for visa trip. Otherwise they could reach short attendance.
- **Withdraw Policy**
Students may withdraw from a course till the end of the 12th week of the semester. Consequently, grade W will be awarded to the student which shall have no impact on the calculation of the GPA of the student. A Student withdrawing after the 12th week shall be automatically awarded "F" grade which shall count in the GPA.
- **Moodle**
UMT -LMS (Moodle) is an Open Source Course Management System (CMS), also known as a learning Management System (LMS). Participants should regularly visit the course website on MOODLE Course Management system, and fully benefit from its capabilities. If you are facing any problem using moodle, visit <http://oit.umt.edu.pk/moodle>. For further query send your queries to moodle@umt.edu.pk
- **Harassment Policy**
Sexual or any other harassment is prohibited and is constituted as punishable offence. Sexual or any other harassment of any participant will not be tolerated. All actions categorized as sexual or any other harassment when done physically or verbally would also be considered as sexual harassment when done using electronic media such as computers, mobiles, internet, emails etc.
- **Use of Unfair Means/Honesty Policy**
Any participant found using unfair means or assisting another participant during a class test/quiz, assignments or examination would be liable to disciplinary action.
- **Plagiarism Policy**
All students are required to attach a "Turnitin" report on every assignment, big or small. Any student who attempts to bypass "Turnitin" will receive "F" grade which will count towards the CGPA. The participants submit the plagiarism report to the resource person with every assignment, report, project, thesis etc. If student attempts to cheat "Turnitin", he/she will receive a second "F" that will count towards the CGPA. There are special rules on plagiarism for final reports etc. all outlined in your handbook.
- **Communication of Results**
The results of quizzes, midterms and assignments are communicated to the participants during the semester and answer books are returned to them. It is the responsibility of the course instructor to keep the participants informed about his/her progress during the semester. The course instructor will inform a participant at least one week before the final examination related to his or her performance in the course.

Course Outline

Course code: FN 635

Course title: Financial Statements Analysis

Program	MBA
Credit Hours	3 Hours
Duration	15 Sessions
Prerequisites (If any)	All courses of accounting and finance
Resource Person Name and Email	
Counseling Timing (Room#)	
Contact no.	
Web Links:- (Face book, Linked In, Google Groups, Other platforms)	

Chairman/Director Programme signature.....Date.....

Dean's signature.....Date.....

Grade Evaluation Criteria

Following is the criteria for the distribution of marks to evaluate final grade in a semester.

Marks Evaluation	Marks in percentage
Quizzes	15%
Assignments	10%
Mid Term	25%
Attendance & Class Participation	5%
Term Project	15%
Final exam	30%
Total	

Recommended Text Books:

1. Financial Reporting and Analysis by Revsine, Collins and Johnson (Pearson International Edition)
2. Financial Statements Analysis by John J. Wild Latest Edition ,Mc-Graw Hill, INC.

Reference Books:

1. Financial Statements Analysis by Charles H. Gibson (Latest Edition)
2. Financial Statements Analysis by Gerald I. White (Latest Edition)
3. Analyzing Financial Statements for Non-specialists by Jim O' Hare
4. Financial Statement Analysis and Security valuation" by Stephen H. Penman.

Course: Financial Statements Analysis-Course code: FN 635

No	Topics to be covered in the course	Learning Objective of this topic	Expected Outcomes from Students	Teaching Method	Assessment Criteria	Deadlines and Homework
1	<u>Understanding the types of Financial Statements</u>	To get a brief overview on types and implications of companies statements operating in different sectors	The students will be gaining knowledge about the basics of financial statements and its potential stakeholders.	Lecture	Class participation	Within a Week
2	<u>Financial Reporting Fundamentals</u>	To understand the basic concepts of financial reports and accounting policies	Participants will be able to know about international accounting standards and process of accounting analysis.	Lecture and Class Activity	Assignment	Within a Week
3	<u>Financial Statements Analysis Framework</u>	To understand the process that generates accounting numbers and its implications for the quality of those numbers for decision purposes.	The students will be able to get an idea about the articulation and interpretation of financial statements and related reports.	Lecture and Articles	Group Activity	Within a Week
4	<u>Analyzing Business environment & components of Financial Statements</u>	To understand the business environment a company operates in and the financing, investing and operating strategies of a company.	The students will gain comprehensive familiarity about different sources of financing and Pros & Cons associated with those.	Lecture and Class Activity	Quiz	Within a Week
5	<u>Tools & Valuation Models</u>	Valuing a company by using valuation models particularly for the sake of Merger and Acquisitions.	The students will be capable of analyzing and valuing Equity and Assets of the Company.	Lecture and Class Activity	Assignment/ Quiz	Within a Week
6	<u>Profitability Analysis</u>	To understand the different types of revenues and different types of profits and their relationship to financial statements	The participants will be able to get difference in Revenue, Profits and different types of costing methods.	Lecture	Class Activity	Within a Week

7	<u>Analyzing Cash Flows</u>	To analyse cash flows under operating, investing and financing activities.	The students will learn the application of different tools and techniques to analyze cash flows.	Lecture	Class Activity	Within a Week
8		Mid Term	Exam			
9	<u>Analyzing Return on Invested Capital</u>	To understand the return on investments or capital employed	The students will be able to know the difference between profits and cash flows through the application of different methods.	Lecture	Class Activity	Within a Week
10&11	<u>Credit Analysis-I: Analyzing the Short Term Liquidity</u>	To be able to analyse short term fund management and working capital accounts management i.e., inventory, receivables, payables and cash	The students will learn the strategies companies employ to manage short term needs of cash.	Lecture	Quiz/ Assignment	Within a Week
12&13	<u>Credit Analysis-II: Analyzing the Capital Structure & Solvency</u>	To analyse different corporate, whether they will exist or default in future	It will give participants to analyze the long term financial position of firm and probability of their failure.	Lecture	Quiz	Within a Week
14	<u>International practices on sustainable finance and ethical integrated reporting</u>	It covers and examines theoretical and practical application of sustainable principles, business growth, predictions of bankruptcies, Financial Institution crisis.	The students will learn the reporting requirements for sustainability risks and opportunities, and the prospect of the issuance of "Integrated Corporate Reports" that combine financial and non-financial reporting.	Lecture	Class Discussion	Within a Week
15	<u>Comprehensive Revisions & Project Presentations</u>	To enhance capability of analyzing the industry on taught methods and strategies	The students will learn to assess the firms through different financial ratios	Viva/ Presentation	Viva/ Presentation	Within a Week