**FN-460 Financial Statement Analysis**

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| Resource Person: | Saqib Farid |
| Email: | Saqib.farid@umt.edu.pk |
| Contact Hours: | To be shared in class |
| Office Address: | 3N/09 |
| Programme: | BS Accounting and Finance |
| Section: | A |
| Semester: | Fall 2023 |
| Course Pre-requisites: | / |
| Credit Hours: | 3 |
| Course Type: | On Campus |
| Venue/Day/Time: |  |
| Course URL (if any): | / |

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| **Course Description:** |
| 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 analysing 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. |

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| **Course Teaching Methodology:** |
| We will be conducting classes online through ZOOM and classes will follow a basic structure of introduction to topics and coverage of topics through class practice.  List of methodologies that will be used in the class –example are given below   * Interactive Classes * Case based teaching * Class activities * Applied Projects |

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| **Programme Educational Objectives (POs):** | |
| PO-1 | Critical Thinking and Decision Making |
| PO-2 | Effective Communication Skills |
| PO-3 | Ethics and Sustainability |
| PO-4 | Core Business Knowledge and Competence |
| PO-5 | Effective Teamwork and Leadership Skills |
| PO-6 | Industry Focus |
| PO-7 | Global Perspective (Internationalization) |
| PO-8 | Market Knowledge |
| PO-9 | Professional Track |

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| **Programme Learning Outcomes (PLOs):**  **After completing this degree programme, students shall be able to:** | | |
|  | | **Mapping the PLOs with POs** |
| PLO-1 | Graduates must be able to use analytical and reflective thinking techniques to identify and analyze problems, develop viable alternatives, make effective decisions and apply appropriate quantitative and qualitative techniques in solving business problems. | PO-1 |
| PLO-2 | Graduates must be able to draft effective business documents and prepare and deliver effective oral business presentations using a variety of appropriate technologies. | PO-2 |
| PLO-3 | Graduates must be able to identify and analyze ethical conflicts and sustainability issues involving different stakeholders in order to develop viable alternatives and make effective decisions relating to business ethics and sustainability. | PO-3 |
| PLO-4 | Graduates must be able to demonstrate competency in the underlying concepts, theory and tools taught in the core undergraduate curriculum. | PO-4 |
| PLO-5 | Graduates must be able to work effectively in teams and understand group processes, leadership, conflict, power and culture in organizations. | PO-5 |
| PLO-6 | Graduates must be able to understand the dynamics of local industry and understand business as an integrated system and apply strategic planning tools to coordinate among the functional areas. | PO-6 |
| PLO-7 | Graduates must be able to identify and analyze relevant global factors that influence decision-making and develop viable alternatives and make effective decisions in an international business setting. | PO-7 |
| PLO-8 | Graduates must be able to know, and work in financial markets and roles within current trends and practices at both operational and strategic levels. | PO-8 |
| PLO-9 | Graduates must be able to possess and reflect the required learning to be able to earn professional credentials in the area of Accounting and Finance including CA and ACCA. | PO-9 |
| PLO-10 |  |  |

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| **Course Objectives (COs)** | |
| CO-1 | To understand & analyze the business environment along with the various components of financial statements |
| CO-2 | To analyze different tools for firm’s analysis |
| CO-3 | To analyze working capital, cash flows and different ways to check the performance |
| CO-4 | To analyze the profitability & return on investments in business |
| CO-5 | To analyze the short term liquidity clubbed with capital structure and solvency analysis |
| CO-6 | To understand international practices on sustainable finance and ethical integrated reporting |

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| **Course Learning Outcomes (CLOs):**  **After completing this course, students shall be able to:** | | |
|  | | **Mapping the CLOs with PLOs** |
| CLO-1 | Ask and seek relevant information in financial statements |  |
| CLO-2 | Analyze financial statement for business decision making |  |
| CLO-3 | Differentiate between factual and creative financial reporting |  |

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| **Assurance of Learning and Assessment Items:**  *Specify Assessment Items that will assure student learning through application and achieve objectives of specific PLOs / COs / CLOs* | |
| **Assessment Item** | **Application/ Objectives**  **PLO / CO / CLO** |
| Class activities / Presentations / Assignments |  |
| Project |  |
| Mid Term Examination |  |
| Final Term Examination |  |

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| **Assessment Structure and Grading Policy\*:** | | |
| **Assessment Item** | **Weight (%)** | **Execution Plan** |
| Class activities / Presentations / Assignments | 20 | Spread out during the semester |
| Project | 20 | To be conducted at the end of the semester |
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| Mid-term exam | 25 | One-time assessment |
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| Final exam | 35 | One-time assessment |
| **Total** | **100** |  |
| **Notes – Norms and Important Class Policies:**  *(such as submission guidelines, academic honesty, make-up policy, code of conduct)*   * Students are responsible to make every attempt to be on time, attend classes, keep their mobile phones on silent mode or airplane mode during classes * Students should read their emails regularly for any class related updated * Students are required to maintain 80% attendance in the course or they will received SA grade * The results of activities, midterms and assignments are communicated to the participants during the semester rand they need to share any concerns timely with the instructor * Any participant found using unfair means or assisting another participant during a class test/quiz, assignments or examination would be liable to disciplinary action. * 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 | | |

*\*Rubrics for all assessments (including mid and final exams) will be provided separately to the students.*

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| **Weekly Sessions Plan:** | | | |
| **Week** | **Topics / Contents** | **Activity** | **Application/Objectives**  **PLO / CO / CLO** |
| 1 | * Understanding the types of Financial Statements | Class Activity |  |
| 2 | * Financial Reporting Fundamentals | Assignment |  |
| 3 | * Financial Statements Analysis Framework | Class Activity |  |
| 4 | * Analyzing Business environment & components of Financial Statements | Class Activity |  |
| 5 | * **Tools & Valuation Models** | Class Activity |  |
| 6 | * Profitability Analysis | Various |  |
| 7 | * Analyzing Cash Flows | Various |  |
| 8 | Mid Term Examination | Exam |  |
| 9 | * Analyzing Return on Invested Capital | Class Activity |  |
| 10 | * Credit Analysis-I: Analyzing the Short Term Liquidity I | Class Activity |  |
| 11 | * Credit Analysis-I: Analyzing the Short Term Liquidity II | Various |  |
| 12 | * Credit Analysis-II: Analyzing the Capital Structure & Solvency I | Assignment |  |
| 13 | * Credit Analysis-II: Analyzing the Capital Structure & Solvency II | Various |  |
| 14 | * International practices on sustainable finance and ethical integrated reporting | Various |  |
| 15 | * Comprehensive Revisions & Project Presentations |  |  |
| 16 |  |  |  |
| 17 | Final Term Examination |  |  |

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| **Primary Text Book (s):** |
| * Financial Reporting and Analysis by Revsine, Collins and Johnson (Pearson International Edition * Financial Statements Analysis by John J. Wild Latest Edition , Mc-Graw Hill, INC. |

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| **Reference / Supplementary Reading (s):** |
| * Financial Statements Analysis by Charles H. Gibson (Latest Edition) * Financial Statements Analysis by Gerald I. White (Latest Edition) * Analyzing Financial Statements for Non-specialists by Jim O’ Hare * Financial Statement Analysis and Security valuation” by Stephen H. Penman |

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| **Useful Online / Web Resources:** |
| * https://www.psx.com * https://www.secp.gov.pk |