

27441 - Financial Statement Analysis

Syllabus Information

Academic Year: 2019/20

Subject: 27441 - Financial Statement Analysis

Faculty / School: 109 - Facultad de Economía y Empresa

Degree: 417 - Degree in Economics

ECTS: 5.0

Year: 4

Semester: First semester

Subject Type: Optional

Module: ---

1.General information

1.1.Aims of the course

1.2.Context and importance of this course in the degree

1.3.Recommendations to take this course

2.Learning goals

2.1.Competences

2.2.Learning goals

2.3.Importance of learning goals

3.Assessment (1st and 2nd call)

3.1.Assessment tasks (description of tasks, marking system and assessment criteria)

4.Methodology, learning tasks, syllabus and resources

4.1.Methodological overview

4.2.Learning tasks

The process of teaching and learning designed for the course 'Financial Statement Analysis' (5 ECTS credits) is organized as follows:

Lectures:

These involve the description of the basic concepts referring to economic and financial analysis of the company. Student's participation will be encouraged by setting out economic-financial problems to be solved and approaching problems or current news related to the topics covered for further analysis and discussion.

There will be two working sessions each week except in December and January which are reduced to a weekly session. Lectures will start with a summary of the most important ideas studied in the previous session, will continue with the development of the corresponding unit and will end with the conclusion of the most relevant ideas.

Students will have recommended bibliography for each topic to be discussed, giving priority to their comments and lecturers' explanation of the relevant issues.

Practice sessions

They develop when needed following the topics covered in theory sessions. Student's participation and debate of the cases in class will be encouraged.

For these lectures students will have at their disposal bibliography with an extensive collection of solved cases related to the topics covered in the theoretical classes. The emphasis is not placed in solving all mathematical operations required for each case but in explaining and analysing the procedure, the answer and the most important practical aspects of each topic.

Tutorials: to solve doubts of the students, supervising activities, tasks and providing guidance of the group work.

The e-learning platform of the University of Zaragoza will be used: <https://moodle2.unizar.es>.

The program contains the following activities:

Distribution of 125 hours of student working hours in 50 class hours (theoretical and practice), and 75 autonomous work and study hours that the student needs to acquire the knowledge and to prepare practices and exams.

The 50 hours of theoretical and practice sessions consist of 25 hours of lectures and 25 practice hours solving problems and practical cases.

Finally, the 75 hours of student's autonomous work and study may consist of reading hours and study about the topics, the group work, preparing practical cases, and attending tutorials

4.3.Syllabus

ANALYSIS OF ACCOUNTING INFORMATION.

Unit 1. Accounting information.

- 1.1. Accounting information.
- 1.2. Classification of accounting information.
- 1.3. The annual accounts.

Unit 2. Analysis of accounting information.

- 2.1. Analysis of financial statements.
- 2.2. Methods for analysis of financial statements.

EQUITY ANALYSIS

Unit 3. The Balance sheet.

- 3.1. Analysis of the balance sheet.
- 3.2. Analysis of the assets.
- 3.3. Analysis of the liabilities.
- 3.4. Analysis of the net equity.

Unit 4. The working capital.

- 4.1. The working capital.
- 4.2. Operating working capital, non-operating working capital, and global working capital.
- 4.3. Working capital and solvency.

FINANCIAL ANALYSIS

Unit 5. Cash conversion cycle and suitable working capital.

- 5.1. Short-term and long-term cycle.
- 5.2. Financial operating cycle.
- 5.3. Rotations and periods.

Unit 6. Company' self-financing.

6.1. Company' self-financing.

6.2. The company' self-financing and working capital.

Unit 7. The statement of cash flows.

7.1. The statement of cash flows.

7.2. Cash flows from operating activities.

7.3. Cash flows from investing activities.

7.4. Cash flows from financing activities.

7.5. The forecast statement of cash flows.

Unit 8. Financial equilibrium.

8.1. Financial equilibrium and classification of financial situations.

Unit 9. Financial ratios.

9.1. Structure ratios.

9.2. Basic financial ratio.

9.3. Liquidity ratios.

9.4. Solvency ratios.

ECONOMIC ANALYSIS

Unit 10. Analysis of the economic result.

10.1. Added value.

10.2. The added value statement.

Unit 11. Cost-volume-profit analysis.

11.1. Break-even point.

11.2. Cost-volume-profit ratios.

Unit 12. Economic ratios.

12.1. Economic ratios.

12.2. Market ratios.

Unit 13. The profitability.

13.1. Profitability.

13.2. Return on assets.

13.3. Return on equity.

13.4. Relation between return on assets and return on equity.

4.4. Course planning and calendar

The work scheme is distributed as follows:

DISTRIBUTION	SESSION	CHARACTER
50 hours	25 hours theory	lectures
	25 hours practice	practice session

75 hours

study, reading, group work, solving practical cases and attending tutorials

autonomous work and study

4.5. Bibliography and recommended resources

The process of teaching and learning designed for the course 'Accounting Analysis' (5 ECTS credits) is organised as follows:

- Participatory classes
- Practical classes