

**City University of Hong Kong  
Course Syllabus**

**offered by Department of Accountancy  
with effect from Semester A 2024/25**

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**Part I Course Overview**

<b>Course Title:</b>	<u>Financial Reporting Analysis for Business Decisions</u>
<b>Course Code:</b>	<u>FB5810</u>
<b>Course Duration:</b>	<u>1 Semester</u>
<b>Credit Units:</b>	<u>2</u>
<b>Level:</b>	<u>P5</u>
<b>Medium of Instruction:</b>	<u>English</u>
<b>Medium of Assessment:</b>	<u>English</u>
<b>Prerequisites:</b> <i>(Course Code and Title)</i>	<u>Nil</u>
<b>Precursors:</b> <i>(Course Code and Title)</i>	<u>Nil</u>
<b>Equivalent Courses:</b> <i>(Course Code and Title)</i>	<u>AC5803 Financial Statement Analysis; AC5815 Financial Reporting and Analysis; and AC5870 Accounting Issues for the Global Manager</u>
<b>Exclusive Courses:</b> <i>(Course Code and Title)</i>	<u>FB5803 Financial Reporting and Analysis for Decision Making</u>

## Part II Course Details

### 1. Abstract

This course aims to develop managers' ability to:

1. interact with accountants and finance professionals with regard to the accounting craft;
2. appreciate the process of financial statement analysis;
3. assess the accountant's professional judgement from both the functional and ethical perspective that impact on the determination of profitability and financial situation of a business entity;
4. measure and evaluate investment projects;
5. apply financial and accounting tools in making business decisions within the legal, professional and ethical framework.

### 2. Course Intended Learning Outcomes (CILOs)

(CILOs state what the student is expected to be able to do at the end of the course according to a given standard of performance.)

No.	CILOs	Weighting (if applicable)	Discovery-enriched curriculum related learning outcomes (please tick where appropriate)		
			A1	A2	A3
1.	Demonstrate and explain the conceptual and practical aspects including the functional perspective of financial reporting and the ethical issues thereof.		✓	✓	
2.	Apply the value concepts in assessing the value of individual assets and a corporation as a whole		✓	✓	
3.	Analyze and interpret financial statements using analytic techniques with a consideration of risk elements.		✓	✓	
4.	Perform distress analysis to pinpoint risks of possible corporate failures.		✓	✓	
5	Demonstrate the ability to communicate effectively both individually and in group.		✓	✓	
		100%			

A1: Attitude

*Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.*

A2: Ability

*Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to real-life problems.*

A3: Accomplishments

*Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.*

### 3. Learning and Teaching Activities (LTAs)

(LTAs designed to facilitate students' achievement of the CILOs.)

LTA	Brief Description	CILO No.					Hours/week (if applicable)
		1	2	3	4	5	
Seminar class	Students will learn and interact with lecturer and other students on various knowledge, theories and practices.	✓	✓	✓	✓	✓	
Live case studies <sup>#</sup>	Students will be assigned live cases to study practical financial analysis and evaluation process.	✓	✓	✓	✓	✓	

<sup>#</sup>DEC LTA element

### 4. Assessment Tasks/Activities (ATs)

(ATs are designed to assess how well the students achieve the CILOs.)

Assessment Tasks/Activities	CILO No.					Weighting	Remarks
	1	2	3	4	5		
Continuous Assessment: <b>50%</b>							
<u>Class participation and case analyses</u> Students need to take initiative to raise questions and participate in discussion of the cases and issues in class to facilitate their understanding of knowledge taught.	✓	✓	✓	✓	✓	20%	
<u>Group project</u> Students will work in groups, prepare a class deliverable to analyse the financial statements of live cases.	✓	✓	✓	✓	✓	30%	
Examination: <b>50%</b> (duration: 3 hours)							
<u>Final examination</u> Test students' understanding of conceptual and practical aspects of financial reporting and ethical issues.	✓	✓	✓	✓	✓	50%	
						100%	

***Students are required to pass both coursework and examination components to guarantee to pass the course. Failing either component may lead to failure in the course. The passing mark is generally 50.***

## 5. Assessment Rubrics

*(Grading of student achievements is based on student performance in assessment tasks/activities with the following rubrics.)*

Applicable to students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter

	Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Fair (C+, C, C-)	Marginal (D)	Failure (F)
1.	Class participation and case analyses	Demonstrate an initiative and interactions in raising sensible questions and giving insightful discussion and presentation of issues and cases relating to the course topics in class.	High	Significant	Moderate	Basic	Not even reaching marginal levels
2.	Group project	Demonstrate the ability to apply the concepts and knowledge to analyse the financial statements of live cases and presentation skills.	High	Significant	Moderate	Basic	Not even reaching marginal levels
3.	Final examination	Demonstrate a grasp of the conceptual and practical aspects of financial reporting and the ethical issues thereof. Capable to assess risks and evaluate investment opportunities.	High	Significant	Moderate	Basic	Not even reaching marginal levels

Applicable to students admitted from Semester A 2022/23 to Summer Term 2024

	Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B)	Marginal (B-, C+, C)	Failure (F)
1.	Class participation and case analyses	Demonstrate an initiative and interactions in raising sensible questions and giving insightful discussion and presentation of issues and cases relating to the course topics in class.	High	Significant	Basic	Not even reaching marginal levels
2.	Group project	Demonstrate the ability to apply the concepts and knowledge to analyse the financial statements of live cases and presentation skills.	High	Significant	Basic	Not even reaching marginal levels
3.	Final examination	Demonstrate a grasp of the conceptual and practical aspects of financial reporting and the ethical issues thereof. Capable to assess risks and evaluate investment opportunities.	High	Significant	Basic	Not even reaching marginal levels

**Part III Other Information** (more details can be provided separately in the teaching plan)

**1. Keyword Syllabus**

*(An indication of the key topics of the course.)*

Functions of Financial Reporting, Conceptual framework, agency theory, positive theory, valuation concepts, financial statement preparation, analysis and interpretation, horizontal and vertical analysis, risk analysis, investment appraisals and relevant application analysis

**2. Reading List**

**2.1 Compulsory Readings**

*(Compulsory readings can include books, book chapters, or journal/magazine articles. There are also collections of e-books, e-journals available from the CityU Library.)*

1.	Palepu, et al., Business Analysis and Valuation, latest edition, Cengage Learning.
2.	Kimmel, P., J. Weygandt, and D. Kieso. Accounting Tools for Business Decision Making, latest edition, Wiley.

**2.2 Additional Readings**

*(Additional references for students to learn to expand their knowledge about the subject.)*

1.	Penman, S., Financial Statement Analysis and Security Valuation, latest edition, McGraw Hill
2.	HKICPA website, <a href="http://www.hkicpa.org.hk">www.hkicpa.org.hk</a>
3.	Hong Kong Stock Exchange website, <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>