

**City University of Hong Kong
Course Syllabus**

**offered by Department of Accountancy
with effect from Semester B 2018/19**

Part I Course Overview

Course Title:	<u>International Financial Statement Analysis</u>
Course Code:	<u>AC5711</u>
Course Duration:	<u>1 semester</u>
Credit Units:	<u>3</u>
Level:	<u>P5</u>
Medium of Instruction:	<u>English</u>
Medium of Assessment:	<u>English</u>
Prerequisites: <i>(Course Code and Title)</i>	<u>Nil</u>
Precursors: <i>(Course Code and Title)</i>	<u>Nil</u>
Equivalent Courses: <i>(Course Code and Title)</i>	<u>Nil</u>
Exclusive Courses: <i>(Course Code and Title)</i>	<u>Nil</u>

Part II Course Details

1. Abstract

This course aims to:

1. Introduce an analytical framework for carrying out business analysis, forecasting and valuation by using information provided in financial statements and from the market, industry and economy.
2. Give students practice using standard tools of financial statement analysis with financial statements drawn from several countries.
3. Give students practice on using the analysis to estimate the value of the firm and produce analyst reports on the firm.
4. Introduce students to governance and risks associated with international operations of a firm.

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.	Use standard financial statement analysis tools to perform strategy analysis, accounting analysis, and financial analysis, and prepare forecasted financial statements including forecasted cash flow statement, forecasted statement of financial position and forecasted statement of comprehensive income for firms that use IFRS and US GAAP	50%	✓	✓	✓
2.	Use the analysis from 1 and different valuation models to estimate the value of the firm	40%	✓	✓	✓
3.	Identify specific issues of governance and risks associated with multinational operations operating in an international setting	10%	✓	✓	✓
		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 self-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. Teaching and Learning Activities (TLAs)

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

TLA	Brief Description	CILO No.						Hours/week (if applicable)
		1	2	3				
Lectures	Lectures on (1) basic framework of financial reporting, (2) basic concepts about financial statement analysis including governance and risks associated with multinational operations; (3) accounting analysis; (4) financial analysis; (5) how to prepare forecasted financial statements; (6) different valuation models and how to estimate firm value using the valuation models	✓	✓	✓				
Case Analysis [#]	Students work as a group on a project, conducting financial statement analysis on a listed firm by applying the concepts and methods covered in the semester	✓	✓	✓				
Presentations	Individual presentations by students of their case analysis outcome and their recommendations.	✓	✓	✓				

DEC TLA 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					
Continuous Assessment: 60%								
<u>Project / Case Analysis[#]</u> Students will work in groups to use the financial statement analysis tools to analyse the financial performance of a listed firm and estimate its value using different models. In addition, the students are required to discuss governance and risk of the listed firm.	✓	✓	✓				20%	

<u>Individual Presentation</u> Students are required to present the outcome of their case analysis in front of the lecturer and the whole class.	✓	✓	✓				10%	
<u>Midterm Test</u> Students will be assessed during the mid of the semester via midterm test about their understanding of the concepts and methods learned so far and their ability to apply them.	✓	✓	✓				30%	
Examination: 40% (duration: 3 hours)								
<u>Final Examination</u> Students will be assessed at the end of semester via examination about their understanding of the concepts and methods covered in the whole semester and their ability to apply their knowledge about financial statement analysis.	✓	✓	✓				40%	
							100%	

DEC AT element

Students are required to pass both coursework and examination components in order to pass the course.

5. Assessment Rubrics

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

	Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Fair (C+, C, C-)	Marginal (D)	Failure (F)
1.	Project / Case Analysis	Ability to use standard financial statement analysis tools to analyse and value the financial performance of public firms listed in different regimes.	High	Significant	Moderate	Basic	Not even reaching marginal levels
2.	Individual Presentation	Ability to present and logically justify the output from the financial statement analysis performed on public firms listed from different regimes.	High	Significant	Moderate	Basic	Not even reaching marginal levels
3.	Midterm Test	Ability to understand and apply basic concepts and some tools of financial statement analysis.	High	Significant	Moderate	Basic	Not even reaching marginal levels
4.	Final Examination	Ability to understand and apply basic concepts and tools of financial statement analysis covered in the whole semester.	High	Significant	Moderate	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.)

Strategy analysis, accounting analysis, financial analysis, prospective (forecasting) analysis, international accounting quality analysis, valuation of companies, international corporate governance 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.	K.G. Palepu, V.L. Bernard, P.M. Healy and E. Peek, <i>Business Analysis and Valuation: IFRS Edition (Latest Edition)</i> , CENGAGE Learning EMEA
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2.2 Additional Readings

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

1.	R. Lundholm and R. Sloan, <i>Equity Valuation & Analysis</i> , McGraw-Hill, International Edition (Latest Edition)
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