

**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: Financial Statement Analysis

Course Code: CB3041

Course Duration: 1 semester

Credit Units: 3

Level: B3

Arts and Humanities

Study of Societies, Social and Business Organisations

Science and Technology

Proposed Area:
(for GE courses only)

Medium of Instruction: English

Medium of Assessment: English

Prerequisites:
(Course Code and Title) CB2100 Introduction to Financial Accounting

Precursors:
(Course Code and Title) Nil

Equivalent Courses:
(Course Code and Title) Nil

Exclusive Courses:
(Course Code and Title) Nil

Part II Course Details

1. Abstract

(A 150-word description about the course)

This course aims to:

1. develop students' ability to analyse and interpret financial reports for the purposes of assessing financial performance of firms to facilitate investment, lending, and other financial decisions;
2. provide students with hands-on experience in financial statement analysis;
3. develop students' broader spectrum of business analysis invoking core financial statement analysis skills and drawing economic conclusions in a variety of business contexts.

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 a comprehensive framework for business analysis and valuation using financial statement data. | 20% | ✓ | ✓ | |
| 2. | Identify and describe different tools of financial statement analysis. | 40% | | ✓ | |
| 3. | Apply appropriate financial analysis tools to analyse and assess the financial performance and position of firms. | 20% | ✓ | ✓ | |
| 4. | Generate financial and business decisions for investment, lending, and other purposes with the aid of financial analysis tools. | 20% | ✓ | ✓ | |
| | | 100% | | | |

* If weighting is assigned to CILOs, they should add up to 100%.

[#] Please specify the alignment of CILOs to the Gateway Education Programme Intended Learning outcomes (PILOs) in Section A of Annex.

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 | 4 | | | |
| Seminar class | Students will learn and interact with lecturer and other students on various knowledge, theories and practices | ✓ | ✓ | ✓ | ✓ | | | |
| Live case studies | Students will be assigned live cases to study using given information and web data the financial performance of these cases | ✓ | ✓ | ✓ | ✓ | | | |
| Project study/Presentation* | Students will search through the web on identified live corporations and generate indicated financial and business decisions through performing financial analysis and presentation on their finding and financial decisions. | | ✓ | ✓ | ✓ | | | |

*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 | 4 | | | | |
| Continuous Assessment: 50% | | | | | | | | |
| <u>Class discussion and quizzes</u> Students are required to initiate and participate in discussion of various course topics during classes, and attempt 2 organized short quizzes. | ✓ | ✓ | ✓ | ✓ | | | 10% | |
| <u>Mid-term test</u> Students need to answer specific theoretical and practical questions in core financial analysis concepts and tools including simple case analysis drawn from Hong Kong context. | ✓ | ✓ | ✓ | | | | 15% | |

| | | | | | | | | |
|---|---|---|---|---|--|--|------|--|
| <u>Project report/Presentation</u> [#] Students have to prepare a project report on a live listed corporation in Hong Kong or overseas on identifying appropriate business decisions for this corporation based on financial and business analysis tools. | | ✓ | ✓ | ✓ | | | 25% | |
| Examination: 50% (duration: 3 hours) | | | | | | | | |
| <u>Final examination</u> Students will attempt moderate case questions on financial analysis and related business and finance decisions drawn from both hypothetical and real live corporate and financial data. | ✓ | ✓ | ✓ | ✓ | | | 50% | |
| * The weightings should add up to 100%. | | | | | | | 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. | Class discussion and quizzes | Performance in class activities | Students have demonstrated excellent initiative and interactions in raising sensible questions and giving insightful discussion of issues and cases relating to the course topics in class | Students have demonstrated good initiative and interactions in raising reasonable questions and joining discussion of issues and cases relating to the course topics in class | Students have demonstrated reasonable interactions in raising questions and joining discussion of issues and cases relating to the course topics in class | Students have demonstrated occasional interactions in joining discussion of issues and cases relating to the course topics in class | Students randomly or rarely join discussion of issues and cases with little contribution to the course topics in class |
| 2. | Mid-term test | Performance in answering questions in the mid-term test | Students perform excellently in the test and provide very good answers to test questions | Students perform well in the test and provide good answers to test questions | Students perform reasonably well in the test and provide some good answers to test questions | Students fairly perform in the test and provide some acceptable answers to test questions | Students perform badly in the test and cannot provide acceptable answers to test questions |
| 3. | Project report/ Presentation | Performance in preparing and presenting a project report related to an identified live corporation | Students perform excellently in project analysis and presentation and provide a very good report of required competency | Students perform well in project analysis and presentation and provide a good report of required competency | Students perform reasonably well in project analysis and presentation and provide good discussion and analysis in certain parts of the report of required competency | Students fairly perform in project analysis and presentation and provide reasonable discussion in certain parts of the report of required competency | Students cannot perform satisfactorily in project analysis and presentation and only provide basic discussion in certain parts of the report of required competency |
| 4. | Final examination | Performance in answering questions in the final examination | Students perform excellently in the exam and provide very good answers to exam questions | Students perform well in the exam and provide good answers to exam questions | Students perform reasonably well in the exam and provide some good answers to exam questions | Students fairly perform in the exam and provide some acceptable answers to exam questions | Students perform badly in the exam and cannot provide acceptable answers to exam questions |

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.)

Financial Reporting Functions; Business Analysis and Valuation; Financial Statements; Accounting Analysis; Financial Analysis; Prospective Analysis; Equity Security Analysis; Credit Analysis; Corporate Failure Analysis, Investment Analysis; Contemporary Movement in Business Context and Financial Analysis Tools

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, Thompson |
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2.2 Additional Readings

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

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|----|---|
| 1. | Penman, S., Financial Statement Analysis and Security Valuation, latest edition, McGraw Hill |
| 2. | Gibson, Charles H., Financial Statement Analysis using Financial Accounting Information, Latest edition, South-Western. |
| 3. | Leiwy, Danny and Perks, Robert, Accounting: Understanding and Practice, Latest edition, McGraw Hill |