

**City University of Hong Kong  
Course Syllabus**

**offered by Department of Accountancy  
with effect from Semester A 2022/23**

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**Part I Course Overview**

**Course Title:** Financial Statement Analysis

**Course Code:** CB3041

**Course Duration:** 1 semester

**Credit Units:** 3

**Level:** B3

Arts and Humanities

**Proposed Area:**  
*(for GE courses only)*

Study of Societies, Social and Business Organisations

Science and Technology

**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 <sup>#</sup>	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%.

<sup>#</sup> 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				
<b>Continuous Assessment: <u>50%</u></b>								
<u>Class discussion and quizzes</u> Students are required to initiate and participate in discussion of various course topics and attempt short quizzes during the classes.	✓	✓	✓	✓			10%	
<u>Homework assignments</u> Students need to answer specific theoretical and practical questions in core financial analysis concepts and tools including simple case analysis.	✓	✓	✓				10%	

<u>Project report/Presentation</u> <sup>#</sup> 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.		✓	✓	✓			30%	
Examination: <b>50%</b> (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 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.)

	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.	<u>Homework assignments</u>	Performance in answering questions for the assignments	Students perform excellently in the <u>assignments</u> and provide very good answers to <u>assignment</u> questions	Students perform well in the <u>assignments</u> and provide good answers to <u>assignment</u> questions	Students perform reasonably well in the <u>assignments</u> and provide some good answers to <u>assignment</u> questions	Students fairly perform in the <u>assignments</u> and provide some acceptable answers to <u>assignment</u> questions	Students perform badly in the <u>assignments</u> and cannot provide acceptable answers to <u>assignment</u> 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	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		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.	Wahlen et al., Financial reporting, financial statement analysis, and valuation : a strategic perspective, latest edition, Cengage
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**2.2 Additional Readings**

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

1.	Palepu, et al., Business Analysis and Valuation, latest edition, Thompson
2.	Penman, S., Financial Statement Analysis and Security Valuation, latest edition, McGraw Hill
3.	Gibson, Charles H., Financial Statement Analysis using Financial Accounting Information, Latest edition, South-Western.