CB3041: FINANCIAL STATEMENT ANALYSIS

Effective Term
Semester A 2022/23

Part I Course Overview

Course Title
Financial Statement Analysis

Subject Code
CB - College of Business (CB)
Course Number
3041

Academic Unit
Accountancy (AC)

College/School
College of Business (CB)

Course Duration
One Semester

Credit Units
3

Level
B1, B2, B3, B4 - Bachelor's Degree

Medium of Instruction
English

Medium of Assessment
English

Prerequisites
CB2100 Introduction to Financial Accounting

Precursors
Nil

Equivalent Courses
Nil

Exclusive Courses
Nil

Part II Course Details

Abstract
This course aims to:

a. 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;
b. provide students with hands-on experience in financial statement analysis;
c. develop students' broader spectrum of business analysis invoking core financial statements analysis skills and drawing economic conclusions in a variety of business contexts.

Course Intended Learning Outcomes (CILOs)

	CILOs	Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1	Demonstrate a comprehensive framework for business analysis and valuation using financial statement data.	20	x	x	
2	Identify and describe different tools of financial statement analysis.	40		x	
3	Apply appropriate financial analysis tools to analyse and assess the financial performance and position of firms.	20	x	x	
4	Generate financial and business decisions for investment, lending, and other purposes with the aid of financial analysis tools.	20	x	x	

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.

Teaching and Learning Activities (TLAs)

	TLAs	Brief Description	CILO No.	Hours/week (if applicable)
1	Seminar class	Students will learn and interact with lecturer and other students on various knowledge, theories and practices	1, 2, 3, 4	
2	Live case studies	Students will be assigned live cases to study using given information and web data the financial performance of these cases	1, 2, 3, 4	

3	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.	2, 3, 4		

Additional Information for TLAs

* DEC TLA element

Assessment Tasks / Activities (ATs)

	ATs	CILO No.	Weighting (%)	Remarks (e.g. Parameter for GenAI use)
1	Class discussion and quizzes : Students are required to initiate and participate in discussion of various course topics during classes, and attempt 2 organized short quizzes.	1, 2, 3, 4	10	
2	Homework assignments : Students need to answer specific theoretical and practical questions in core financial analysis concepts and tools including simple case analysis.	1, 2, 3	10	
3	Project report/ Presentation# : 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.	2, 3, 4	30	

Continuous Assessment (%)

50

Examination (%)

50

Examination Duration (Hours)

3

Additional Information for ATs

DEC AT element

Final examination :
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.

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.

Assessment Rubrics (AR)

Assessment Task
Class discussion and quizzes

Criterion
Performance in class activities

Excellent (A+, A, A-)
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

Good (B+, B, B-)
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

Fair (C+, C, C-)
Students have demonstrated reasonable interactions in raising questions and joining discussion of issues and cases relating to the course topics in class

Marginal (D)
Students have demonstrated occasional interactions in joining discussion of issues and cases relating to the course topics in class

Failure (F)
Students randomly or rarely join discussion of issues and cases with little contribution to the course topics in class

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Assessment Task
Homework assignments

Criterion
Performance in answering questions for the assignments

Excellent (A+, A, A-)
Students perform excellently in the assignments and provide very good answers to assignment questions

Good (B+, B, B-)
Students perform well in the assignments and provide good answers to assignment questions

Fair (C+, C, C-)
Students perform reasonably well in the assignments and provide some good answers to assignment questions

Marginal (D)
Students fairly perform in the assignments and provide some acceptable answers to assignment questions

Failure (F)

Students perform badly in the assignments and cannot provide acceptable answers to assignment questions

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Assessment Task

Project report/Presentation

Criterion

Performance in preparing and presenting a project report related to an identified live corporation

Excellent (A+, A, A-)

Students perform excellently in project analysis and presentation and provide a very good report of required competency

Good (B+, B, B-)

Students perform well in project analysis and presentation and provide a good report of required competency

Fair (C+, C, C-)

Students perform reasonably well in project analysis and presentation and provide good discussion and analysis in certain parts of the report of required competency

Marginal (D)

Students fairly perform in project analysis and presentation and provide reasonable discussion in certain parts of the report of required competency

Failure (F)

Students cannot perform satisfactorily in project analysis and presentation and only provide basic discussion in certain parts of the report of required competency

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Assessment Task

Final examination

Criterion

Performance in answering questions in the final examination

Excellent (A+, A, A-)

Students perform excellently in the exam and provide very good answers to exam questions

Good (B+, B, B-)

Students perform well in the exam and provide good answers to exam questions

Fair (C+, C, C-)

Students perform reasonably well in the exam and provide some good answers to exam questions

Marginal (D)

Students fairly perform in the exam and provide some acceptable answers to exam questions

Failure (F)

Students perform badly in the exam and cannot provide acceptable answers to exam questions

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Part III Other Information

Keyword Syllabus

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

Reading List

Compulsory Readings

	Title
1	Wahlen et al., Financial reporting, financial statement analysis, and valuation : a strategic perspective, latest edition, Cengage

Additional Readings

	Title
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.