COURSE SYLLABUS FOR FINANCIAL STATEMENT ANALYSIS

<table>
<thead>
<tr>
<th>Course Title</th>
<th>Financial Statement Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Course Code</td>
<td>ACC3330</td>
</tr>
<tr>
<td>Department</td>
<td>Accounting</td>
</tr>
<tr>
<td>Pre-requisites Course Code</td>
<td>Intermediate Accounting I (ACC2310)</td>
</tr>
<tr>
<td>Co-requisite Course Code</td>
<td>(ACC2311), (ACC4340)</td>
</tr>
<tr>
<td>Course Instructor</td>
<td>Mustafa Hassan Mohammad Adam, PhD</td>
</tr>
<tr>
<td>Email</td>
<td><a href="mailto:mustafa.hassan@komar.edu.iq">mustafa.hassan@komar.edu.iq</a></td>
</tr>
<tr>
<td>IP No.</td>
<td>104</td>
</tr>
<tr>
<td>Course Other Teacher(s)/Tutor(s)</td>
<td>None</td>
</tr>
<tr>
<td>Teaching Hours</td>
<td>Sunday: 12:00 pm - 13:30 pm Lecture Hall No. 104</td>
</tr>
<tr>
<td></td>
<td>Tuesday: 12:00 pm - 13:30 am Lecture Hall No. 104</td>
</tr>
<tr>
<td>Contact Hours</td>
<td>Monday: 08:00 am - 10:00 am (Office No. 311)</td>
</tr>
<tr>
<td></td>
<td>Wednesday: 08:00 am - 10:00 pm</td>
</tr>
<tr>
<td></td>
<td>Thursday: 10:00 pm - 14:00 pm or by appointment, also you can send an email at any time.</td>
</tr>
<tr>
<td>Course Type</td>
<td>Core Course</td>
</tr>
<tr>
<td>Offer in Academic Year</td>
<td>Fall 2015/2016</td>
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</table>

COURSE DESCRIPTION:

This course is designed to enable cost and management accountant professionals through analysis of financial statements to calibrate the lens to bring the business into focus. Also it provides the students at the under graduate level with issues and techniques to develop skills in analyzing financial statements in order to interpret financial statements and to provide useful information for decision making. This will be accomplished using five steps: (1) analyzing the industry and economic environment in which the firm operates; (2) analyzing the firm's business strategy and accounting choices; (3) analyzing recent financial performance and position; (4) analyzing profitability and risk; and (5) estimating the value of the firm.

COURSE OBJECTIVES:

To identify the imperfections in the financial statements and frame strategic action to eradicate the dirt on the lens which may distort the financial picture. Therefore, main objectives are:
(i) to enable business’s decision-making through appropriate analysis of financial statements.
(ii) to gain knowledge of applying valuation principles and techniques in business environment.
(iii) understand the characteristics of financial statements and economic environment.
(iv) recognize the limitations of financial statements and forecasting the value of firm.

The course is designed to help achieve an in-depth understanding of Financial Statement Analysis that sufficient to practice the profession of accounting and to solve problems at the level tested on the professional examinations such as CFA, and CFM.
COURSE LEARNING OUTCOMES (CLO):
The syllabus aims to test the student’s ability to:
1. **Identify** and **discuss** different types of business analysis.
2. **Understand** the characteristics of financial statements and economic environment.
3. **Apply** appropriate measures for executing the financial analysis.
4. Make fundamental analysis through **analyze** of firm's liquidity, profitability, and solvency, earning per share etc.
5. **Translate** the understanding for business valuation.
6. **Computing** and **interpret** the statements for managerial decision-making.
7. **Evaluate** the results for setting strategies, **and recommend** strategic financial decisions.

**Level C:** Requiring skill levels of knowledge, comprehension, application, analysis, synthesis and evaluation.

COURSE CONTENT:
- **Topic 1:** Overview of Financial Statement Analysis
- **Topic 2:** Financial Reporting and Analysis
- **Topic 3:** Analyzing Financing Activities
- **Topic 4:** Analyzing Investing Activities
- **Topic 5:** Analyzing Investing Activities: Inter-corporate Investments
- **Topic 6:** Analyzing Operating Activities
- **Topic 7:** Cash Flow Analysis
- **Topic 8:** Return on Invested Capital and Profitability Analysis
- **Topic 9:** Prospective Analysis
- **Topic 10:** Credit Analysis: Sect. 1. Liquidity - Sect. 2. Capital Structure and Solvency
- **Topic 11:** Equity Analysis and Valuation
- **Topic 12:** Study Cases

GRADING POLICY

<table>
<thead>
<tr>
<th>Grades</th>
<th>Letter</th>
<th>GPA</th>
<th>Grades</th>
<th>Letter</th>
<th>GPA</th>
</tr>
</thead>
<tbody>
<tr>
<td>95-100%</td>
<td>A</td>
<td>4.0</td>
<td>70-74%</td>
<td>C</td>
<td>2.0</td>
</tr>
<tr>
<td>94-90%</td>
<td>A-</td>
<td>3.7</td>
<td><strong>65-69%</strong></td>
<td>C-</td>
<td>1.7</td>
</tr>
<tr>
<td>87-89%</td>
<td>B+</td>
<td>3.3</td>
<td>60-64%</td>
<td>D+</td>
<td>1.3</td>
</tr>
<tr>
<td>83-86%</td>
<td>B</td>
<td>3.0</td>
<td>55-59%</td>
<td>D</td>
<td>1.0</td>
</tr>
<tr>
<td>80-82%</td>
<td>B-</td>
<td>2.7</td>
<td>50-54%</td>
<td>D-</td>
<td>0.7</td>
</tr>
<tr>
<td>75-79%</td>
<td>C+</td>
<td>2.3</td>
<td>0-49%</td>
<td>F</td>
<td>0.0</td>
</tr>
</tbody>
</table>

*Note: Passing Grade is 65% and above*

COURSE TEACHING AND LEARNING ACTIVITIES
1. **Lectures:** The lectures provide a broad introduction to each topic and emphasize key concepts.
2. **Case Studies:** The numerous Case Studies are an important learning tool, integrated closely with the theoretical materials presented in each chapter.
3. **Chapter Summaries:** Every chapter ends with a brief, nontechnical summary of its major lessons. Students can use the summaries to place the material in perspective and to review for exams.
4. **Quick Quizzes:** There are some announced quizzes.
5. **Feedback:** Feedback on student progress will be given throughout the course.
6. **Class participation and Presentation:** Class participation is encouraged and will enhance your knowledge and influence your grade.
7. **Examinations:** Examinations (mid-term and final) are all comprehensive in nature.
**KOMAR UNIVERSITY OF SCIENCE AND TECHNOLOGY (KUST)**

**COURSE ASSESSMENT Tools**

<table>
<thead>
<tr>
<th>Assessment Tool</th>
<th>Description</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation</td>
<td>This includes class participation, email interaction with the teacher, discussion forum and problems solving.</td>
<td>10%</td>
</tr>
<tr>
<td>Presentation</td>
<td>Presentation of case study (mini-project).</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Homework and Assignments</strong></td>
<td>Homework must be turned in at the specified due date prior to the beginning of class. No late homework assignments will be accepted.</td>
<td>10%</td>
</tr>
<tr>
<td>Quizzes</td>
<td>There are three quizzes, which the students are supposed to appear in.</td>
<td>10%</td>
</tr>
<tr>
<td>Mid-Term</td>
<td>One mid-term exam will be conducted (theoretical and problems solving).</td>
<td>20%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>The final examination will be comprehensive of all the course materials.</td>
<td>30%</td>
</tr>
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**ESSENTIAL READINGS: (Journals, textbooks, website addresses etc.)**


- **Additional Resource**
  - iii. However it is your responsibility to follow the class material, because I will closely follow and assign problems from the text book and other books.

**COURSE POLICY (including plagiarism, academic honesty, attendance etc)**

- **Attendance Policy**
  - KUST Academic Policy

  - Attendance:
    - Students are expected to attend all lectures and must attend all examinations, quizzes, and practical exercises.
    - Faculty need not give substitute assignments or examination to students who miss classes without official permission.
    - Student must arrange with the faculty to make-up the missed class.
    - Students are subject to the regulation and policies mentioned in the KUST Student Handbook.
    - KUST guidelines for lateness are as follows: Three occasions of lateness count as one absence. (you can be considered in lateness from the 10th minute only morning lecture).

**GUIDELINES FOR SUCCESS**

The following points may help the students to success:

- i. Attend all lectures, pay attention, participate during the classes, and keep asking questions.
- ii. Be prepare for the classes, quizzes, and examinations ahead of time schedule.
- iii. Need not to memorize everything, instead of that try to understand and enhance your knowledge.
- iv. Ask for help from your teacher or classmates and don't feel shy for acquire of knowledge and understanding of subject matter.
- v. Take note during the lecture.

**NOTE**: students are required to bring their notebooks, pens & not to engage themselves with cell-phones.

**REVISION TO THE SYLLABUS**

This syllabus is subject to change, it is the responsibility of the instructor to let the students be informed and aware of such change, if, happened, in a timely fashion after the approval of Quality Assurance and Accreditation Office (QAAO).
<table>
<thead>
<tr>
<th>Week</th>
<th>Beginning/End Dates</th>
<th>Topics (Chapters)</th>
<th>Course Assessment</th>
<th>CLO</th>
</tr>
</thead>
</table>
| 1    | Lecture -1 Lecture -2 | • Overview of Financial Statement Analysis:  
• Introduction to Business Analysis | | 1 |
| 2    | Lecture -3 Lecture -4 | • Financial Reporting and Analysis:  
• Environmental Factors  
• Nature and Purpose of Reporting | | 1 & 2 |
| 3    | Lecture -5 Lecture -6 | • Analyzing Financing Activities:  
• Liabilities and Leases  
• Off-Balance Sheet Financing | Homework #1 | 3 & 4 |
| 4    | Lecture -7 Lecture -8 | • Analyzing Investing Activities  
• Introduction to Current Assets  
• Inventories | Quiz # 01 | 3 & 4 |
| 5    | Lecture -9 Lecture -10 | • Analyzing Investing Activities  
• Inter-corporate Investments | Homework #2 | 3 & 4 |
| 6    | Lecture 11 Lecture 12 | • Analyzing Operating Activities:  
• Income Measurements  
• Non-current items | Quiz # 02 | 3 & 4 |
| 7    | Lecture -13 Lecture -14 | • Analyzing Operating Activities:  
• Revenues Recognition  
• Deferred Charges | | 3 & 4 |
| 15-21 Nov. | Midterm Exam, No Classes (Schedules to be announced later) | | | |
| 8    | Lecture -15 Lecture -16 | • Cash Flow Analysis  
• Analysis Implication of Cash | Homework #3 | 3, 4 & 6 |
| 9    | Lecture -17 Lecture -18 | • Return on Invested Capital:  
• Profitability Analysis | | 4, 5 & 6 |
| 10   | Lecture -19 Lecture -20 | • Prospective Analysis  
• Projection Process | Homework #4 | 5, 6 & 7 |
| 11   | Lecture -21 Lecture -22 | • Credit Analysis:  
• Sect. 1. Liquidity and Working Capital | | 6 & 7 |
| 12   | Lecture -23 Lecture -24 | • Sect. 2. Capital Structure  
• Solvency Substantive Tests of Transactions, (optional) | Quiz # 03 | 3, 6 & 7 |
| 13   | Lecture -25 Lecture -26 | • Equity Analysis:  
• Valuation: | | 4, 6 & 7 |
| 14   | Lecture -27 Lecture -28 | • Study Cases | Mini-Project Presentation | |
| 15   | | | Review | |
| 16   | 24-31 Jan. 2016 | Final Exams, No Classes (Schedules to be announced later) | | |

Signature:  
Mustafa Hassan Mohammad, PhD  
Acting Chairman of Accounting Department  
College of Business