



Course Code	Course Title	ECTS Credits
FIN-440	Financial Analysis	6
Department	Semester	Prerequisites
Accounting	Fall/Spring	ACCT-310
Type of Course	Field	Language of Instruction
Required	Accounting	English
Level of Course	Year of Study	Lecturer
Cycle 1	3 rd	Dr Petros Lois
Mode of Delivery	Work Placement	Co-Requisites
Face to Face	N / A	None
Recommended Optional Programme Components: N/A		

Objectives of the Course:

<p>The objectives of the course are:</p> <ol style="list-style-type: none">1. Explain the nature and purpose of financial accounting and reporting including the broader environment under which financial statements are prepared and used.2. Examine the role of financial statement analysis in different types of business analysis such as equity analysis and credit analysis. Demonstrate the strategies underlying business activities and their effects on financial statements.3. Explain and analyze the accounting measurement and reporting practices underlying financial statements.4. Examine the processes and methods of financial analysis. Identify the different users and demonstrate analytical tools and techniques to meet the users' objectives. Explain how analysis tools and techniques enhance users' decisions including company valuation and lending decisions.5. Discuss the importance and limitations of accounting data for analysis purposes along with the significance of conducting accounting analysis for financial analysis.
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Learning Outcomes:

<p>After completion of the course students are expected to be able to:</p> <ol style="list-style-type: none">1. Distinguish between various forms of business entities and the financial statements that are required to be published using international accounting standards. Explain auditors' opinions.

2. Prepare a classified balance sheet and detect problems in the balance sheet presentation and the statement of stockholders equity.
3. Prepare a classified income statement, statement of retained earnings and a statement of comprehensive income. Demonstrate the ability to account for stock splits, dividends and earnings per share.
4. Prepare trend and common size analyses, review descriptive material and compare results with other sources of data like industry averages, competition etc.
5. Analyze current assets and liabilities and prepare ratio analysis using these items.
6. Assess the long-term debt paying ability using ratios based on the income statement and the balance sheet.
7. Prepare profitability ratio analysis and interpret the results from the point of view of shareholders, creditors and managers.
8. Calculate ratios that are of interest to investors to evaluate their returns and risks of their investments.
9. Prepare a classified statement of cash flows and calculate important cash flow ratios.

Course Contents:

1. Introduction to financial statements and other financial reporting issues.
2. The balance sheet.
3. The income statement.
4. Basics of analysis, trend and vertical analysis.
5. Liquidity of short-term assets; related debt-paying ability, liquidity ratios.
6. Long-term debt-paying ability, solvency ratios.
7. Profitability ratios.
8. For the investor ratios.
9. Cash flow statement and cash flow ratios.

Learning Activities:

Lectures, In-Class Exercises and In-Class Discussions.

Assessment Methods:

Homework, Mid-Term Exam, Final Exam and Project.

Required Textbooks:

Authors	Title	Publisher	Year	ISBN
Gibson, C.	Financial Reporting and analysis	Thomson South-	2009	13:978-0-324-66107-1

		Western.		
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Recommended Textbooks/Reading:

Authors	Title	Publisher	Year	ISBN
Wild, J. Subramanyam, K. Hasley, R.	Financial Statement Analysis	McGraw Hill	2009	13 9780073379432