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Course Package “Financial Statement Analysis”

Work Package	WP3: Development of Course Materials for the Reformed MA Programmes, Deliverable 3.1
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Document History

Version	Date	Author(s)	Description
1.	15.12.2018	Karen Nersesyan	1 st Draft of Development of Course Materials
2.	21.01.2019	Srdjan REDZEPAGIC Eric NASICA Olivier BRUNO	Revised version of 1 st Draft of Development of Course Materials
3.	28.01.2019	Karen Nersesyan	2 nd Draft Review-Updating of Course Materials
4.	30.01.2019	Srdjan REDZEPAGIC Eric NASICA Olivier BRUNO	Revised version of 2 nd Draft of Development of Course Materials
5.	25.05.2019	Karen Nersesyan	Final version of Course Materials

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1. General information about the course

Explanation: Please fill in the table below.

Title of the course (as specified in the reformed curriculum)	Financial Statement Analysis
Name of the teacher	Karen Nersesyan
Novelty of the course (please select as appropriate)	This course is an updated and revised version of a course which already existed in the curriculum
Year of the course in the curriculum	Master 1
Semester of the course in the curriculum	2-nd
Language of instruction of the course	Russian, English
Number of ECTS credits	6

2. Learning outcomes of the course

Explanation: Please specify the learning outcomes of the course.

On successful completion of these programs, students will be able to:

Recommend a course of action to a prospective client by using a framework or model to analysis financial statements and other relevant data.

Analyse the performance of a company using trend analysis, common-size financial statements and segment reporting.

Evaluate the accounting implications of an economic event by applying the principles, standards, and practices of financial accounting.

Advise managers of how strategic business risks relate to internal controls, financial reporting, tax, and/or audit using authoritative literature, fieldwork, surveys, archival, or other research data.

Identify and describe complex business problems in terms of analytical models.

3. Syllabus of the course

Explanation: Please provide a detailed syllabus of the course (broken down in weeks) – maximum 2 pages

N	Topic	Week
1	<p>The financial analysis acceptance tool managerial making decisions development strategies the company.</p> <p>1.1. Forms of business organizations, Sole Proprietorship, Partnership firms and private companies, Public and Govt. companies</p> <p>1.2. The concept of a successful company</p> <p>1.3. Concept of creation cost</p>	1
2	<p>Objectives and stages of the financial analysis, sources information for analysis.</p> <p>2.1. Objectives and stages of the financial analysis, sources information for analysis.</p> <p>2.2. Statement of financial position. Comprehensive income statement. Equity statement. Cash flow statement.</p> <p>2.3. Procedure for Analysis and Interpretation.</p>	2
3	<p>Complex analysis approach financial state of the company</p> <p>3.1. Identify the industry economic characteristics</p> <p>3.2. Identify company strategies</p> <p>3.3. Assess the quality of the firm's financial statements</p> <p>3.4. Analyze current profitability and risk.</p> <p>3.5. Value the firm.</p>	3-5
4	<p>System indicators in the assessment financial performance company.</p> <p>4.1. Financial performance review Cash flow. Working capital . Cost base. Borrowing. Growth.</p> <p>4.2. Financial performance measures</p> <p>4.3. . Profitability ratios. Gross profit margin. Operating expenses margin . Net profit margin . Return on capital employed.</p>	6-8
5	<p>Accounting ratios to measure performance.</p> <p>5.1. Ratio analysis. Liquidity ratio. Current ratio. Quick ratio. . Current assets</p>	9-11

	turnover.Leverage ratios. 5.2.Ratio interpretation.	
6	Forecasting Financial statements. 6.1. Business and Strategic factors for forecasting statements 6.2. Forecast models.General forecasting principles. 6.3. Seven-Step Forecasting Game Plan. Project revenues from sales and operating activities. 6.4. Project operating expenses and derive projected income. Project operating assets and liabilities 6.5. Project the financial leverage and capital structure. Project non recurring gains or losses 6.6. Check whether the projected balance sheet is in balance. Derive the projected statement of cash flows.	12-14

4. Teaching methodology of the course

Explanation: Please explain the teaching methodology and pedagogical approaches of the course – maximum ½ page

The methodologies course used in the various subjects have been devised and planned so that this theoretical/practical approach is adopted throughout our programs. Groups are small, allowing maximum interaction between instructors and students and among the students themselves. Teaching methodologies include the following: lectures and analysis of teaching notes,

analysis and discussion of case studies in small groups as well as in class, sessions with invited speakers, teamwork and class presentations, financial modelling and simulations, individual reading and research, role-play sessions, etc.

The practical approach adopted for teaching all subjects (reflection, analysis, action and evaluation) aims to help students acquire and consolidate their knowledge, focusing always on decision-making and professional practice.

Everyday classes are complemented by a series of extracurricular activities (lectures, seminars, workshops, visits, practical training, etc.) to help participants expand their knowledge, focus their careers, gain professional experience, and try out initiatives and proposals drawn up by experts in different fields of action.

5. Labour market relevance of the course

Explanation: Please explain the labour market relevance of the course (linked to findings of WP1) – maximum ½ page

Financial analysts with master's degrees have the best chances of career advancement. For example, some analysts advance to portfolio manager positions, which give them the responsibility for selecting a portfolio's investments and supervising other analysts. Other analysts become fund managers, responsible for buy and sell decisions for mutual funds or hedge funds.

6. Assessment and grading

Explanation: Please explain the form of assessment of the course – maximum ½ page

To be granted the course of Financial Statement Analysis credential, students must:

Complete all core and topics (6 in total) and demonstrate mastery of the topics through completion of course materials, control works, essays, case studies and assessments.

After passing through each topic, the student writes a quiz and makes case study. After completing half of the course, the student passes an intermediate exam in writing. At the end of the course, the student is required to submit an essay on a pre-selected topic. The final exam will be checked by the student.

Earn a minimum passing grade of 50% in each course assessment.

Assessment table

Assessment test	Assessment weight	form
Control work	10%	In writing
Essay	10%	In writing
Case study	10%	In writing
Mid exam	20%	In writing
Final exam	50%	In writing

7. References

Explanation: Please provide the main references and recommended reading for the course – maximum 1 page

1. Бернштейн Анализ финансовой отчетности/ - М.: Финансы и статистика, 2016. - 624 с.

2. В.В. Ковалев Финансовый анализ/ - М.: Финансы и статистика, 2017. - 432 с.

3. Financial Statement Analysis: A Practitioner's Guide, 4th Edition artin S. Fridson, Fernando Alvarez, July 2011

4. Analysis of Financial Statements, 3rd Edition

by CFA Frank J. Fabozzi, Pamela Peterson Drake

Publisher: John Wiley & Sons

Release Date: November 2012

5. Financial Statement Analysis: A Practitioner's Guide. 2011. Martin S. Fridson, CFA and Fernando Alvarez.

Reviewed by Christopher Shayne, CFA

8. Course assignments

Explanation: Please provide two assignments for the course (e.g. group work, project, essay, case study, homework).

8.1 Assignment 1

During the course, students are offered assignments in the form of control work, essays, case studies, mid exam, final exam. During control work, the ability to understand the basic methods of financial analysis is checked. Students are given the option of writing essays on pre-designed topics. Homework is applied to ensure continuity of learning. Assignments for teaching examples are important. We use a ready-made excel program for financial analysis. Students are required to carry out practical examples with practical examples. Such an analysis. The final grade is determined on the basis of the intermediate and final exam.

8.2 Assignment 2

Case study. For financial ratio analysis is select Plant of Pure Iron OJSC . Plant of Pure Iron OJSC (the “Company”) is a legal successor of Clean Iron Development and Industrial Plant founded in 1968. In 1995 the Company was reorganized and renamed as Plant of Pure Iron OJSC.

The Company’s principal activity is molybdenum concentrate processing into ferro-molybdenum and sintered molybdenum metal. In 2015 the Company started to provide molybdenum concentrate processing services. Till 2015 and during 2017 the Company also produced and sold its own ferro-molybdenum and sintered molybdenum metal.

Annex: Presentation slides

Explanation: Please provide presentation slides for your course (this can be done in a separate document, e.g. Power Point (Minimum: 25 slides)