

BF2101
Financial Statement Analysis

Course Description and Scope

This is a second year course for undergraduate business students. It is mandatory for all banking and finance students. It is optional for non-finance business students.

The course aims to provide participants with an understanding of the use of financial statement information from a user perspective such as equity investor, debtholder, financial analyst and manager. The course examines the impact of different accounting choices on reported earnings, shareholders' equity, cash flow and various measures of corporate performance. Participants will develop skills in analysing financial statements for investment, credit and other business decisions. In view of the considerable similarities among US Financial Reporting Standards (US GAAP), International Financial Reporting Standards (IFRS) and Financial Reporting Standards in Singapore (FRS) for most of the topics covered in this course, we will focus on FRS in this course. Main differences between FRS and IFRS (and/or US GAAP) will be highlighted where appropriate.

Course Objectives

The learning objectives of this course are:

- a) to understand financial statements (comprising statement of comprehensive income, balance sheet, statement of cash flow, statement of changes in equity and notes to accounts) from a user perspective such as an equity investor, lender, financial analyst and management.
- b) to analyse the business performance and risk of a company based on its financial statements.
- c) develop soft skills like problem solving, decision making, team work, communication, inquiry and analysis.

Course Assessments

Components	Marks	Individual / Group
1. Individual Class Participation	10	Individual
2. Group Presentation	10	Group
3. Quiz (closed book)	30	Individual
4. Final examination (closed book)	50	Individual
Total	100	

Assessment Plan

Course Learning Objectives	Assessment Method
Acquisition of knowledge	Class participation Group presentation Quiz Final Examination
Problem solving and decision making skill	Class participation Group presentation Quiz Final examination
Verbal and communication skill	Class participation Group presentation
Leadership, teamwork and interpersonal skill	Class participation Group presentation

Textbook

Financial Statement Analysis, Eleventh edition, Mc-Graw Hill International Edition 2014, By K. R. Subramanyam [KSM]

Proposed Weekly Schedule

Week	Topic
1.	Introduction to financial statement analysis
2.	<ul style="list-style-type: none">Analyzing financing activitiesAnalyzing investing activities
3.	Student presentation 1 - introduction to financial statement analysis
4.	<ul style="list-style-type: none">E-learning activities will be scheduledStudent presentation 2 - Analyzing financing activities
5.	Analyzing inter-corporate investments
6.	<ul style="list-style-type: none">Student presentation 3 - Analyzing investing activitiesStudent presentation 4 - Analyzing inter-corporate investments
7.	Analyzing operating activities
8.	Quiz 1 (closed book)
9.	<ul style="list-style-type: none">Return on invested capital, profitability analysis and prospective analysisStudent presentation 5 - Analyzing operating activities
10.	<ul style="list-style-type: none">Student presentation 6 - Return on invested capital, profitability analysis and prospective analysisCredit risk analysis
11.	<ul style="list-style-type: none">Equity valuationStudent presentation 7 - Credit risk analysis
12.	<ul style="list-style-type: none">Student presentation 8 - Equity valuationStudent presentation 9 – Course Review
13.	Quiz 2