

381102: Financial Statement Analysis

MGMT-X 432.3

Summer 2021 Section 1 4 Credits 06/21/2021 to 09/05/2021 Modified 06/18/2021

Description

This course is intended for financial and credit analysts, CPA or CFA candidates, investors, business managers, or individuals who are involved in equipment or real estate financing, leasing, or trade credit analysis. The course focuses on the mechanics of financial statement analysis, including balance sheet and income statement analysis, ratio analysis, cash flow analysis, common size analysis, and trend analysis. Particular emphasis is placed on quality of earnings analysis. Students are expected to analyze and evaluate free cash flow generation, profitability, operating efficiency, and the impact of leverage on business risk and return on equity.

Objectives

Participants will develop tools and techniques for the interpretation of financial statement information. Upon completion of this course, the participant should be able to:

- Understand the accounts on a balance sheet.
- Understand an income statement.
- Interpret a statement of cash flows.
- Perform and understand ratio analysis.
- Perform and understand trend analysis.
- Understand the different objectives of financial statement analysis.
- Perform an assessment of earnings quality.

Materials

Financial Statement Analysis, US Edition

Author: Subramanyam, K. R

Publisher: , New York, NY, McGraw-Hill Irwin, 2014

Edition: 11th Edition

ISBN: 978-0-07-811096-2.

The US edition is the required text.

Accounting Prerequisites

Principles of Accounting X 1A and X 1B are prerequisites to taking this class.

Evaluation

Criteria

Type	Weight	Topic	Notes
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Type	Weight	Topic	Notes
Discussion	10%	Question Answer Forum.	
Homework	10%		Assignments will be posted at the beginning of the week in which they are assigned, unless otherwise specified. The homework content for this course is found in "Homework and Reading Assignment" under "Course Modules" in the Canvas menu. <u>I will post the assignment on Tuesday at 11:59 pm. The assignment needs to be turned in by the the following Tuesday at 11:59 pm.</u> The last pages of this syllabus also lists your homework assignments.
Mid Term Examination	40%		
Final Examination (Comprehensive)	40%		

Breakdown

Course grades will be calculated using a weighted average, not a point system. Course grades will be based on written examinations, participation in the discussion board and on time completion of homework assignments as follows:

Graduate/Professional Grading Scale (courses in the X 400 Series)

Grade	Standard Percentage/Points
A	90-100%
B	80-89%
C	70-79%
F	0-69%
**S (Satisfactory)	80-100%
U (Unsatisfactory)	0-79%

I do not modify letter grades with plus or minus.

Please note that **ALL COURSE GRADES ARE FINAL.**

* Course Policies

Instructor Expectations

The course is centered in the Modules. You need to go to Modules and study the Introduction and Course Guidelines and its components. Go to Week 1 and study the components. It can be easy to put things off in an online class. Overcome this temptation.

UCLA expects students to put in 10 hours per week on this course. Most students need to put in more time to be successful. I expect you to put in at least 10 hours per week or more if needed. I expect students to do the Discussion and Homework each week and turn it in on time. I expect students to check their Discussion and Homework after I grade them and read my feedback.

Planning Your Study Time

An online class takes more time than a live class. Depending on the extent of your academic preparation and recent college-level coursework in this topic area, the amount of study time needed may vary considerably. UCLA and I think the minimum time requirements will be 10 hours per week. Most students need more than 10 hours per week.

Institutional Policies

Student Conduct

Students are subject to disciplinary action for several types of misconduct or attempted misconduct, including but not limited to dishonesty, such as cheating, multiple submission, plagiarism, or knowingly furnishing false information to the University; or theft or misuse of the intellectual property of others or violation of others' copyrights. Students are encouraged to familiarize themselves with policy provisions which proscribe these and other forms of misconduct at:

<https://www.uclaextension.edu/pages/str/studentConduct.jsp> (<https://www.uclaextension.edu/pages/str/studentConduct.jsp>)

Services for Students with Disabilities

In accordance with the Americans with Disabilities Act of 1990, UCLA Extension provides appropriate accommodations and support services to qualified applicants and students with disabilities. These include, but are not limited to, auxiliary aids/services such as sign language interpreters, assistive listening devices for hearing-impaired individuals, extended time for and proctoring of exams, and registration assistance. Accommodations and types of support services vary and are specifically designed to meet the disability-related needs of each student based on current, verifiable medical documentation. Arrangements for auxiliary aids/services are available only through UCLA Extension's Service for Students with Disabilities Office at (310) 825-7851 or by email at access@uclaextension.edu. For complete information see:

<https://www.uclaextension.edu/pages/str/studentswithDisabilities.jsp>
(<https://www.uclaextension.edu/pages/str/studentswithDisabilities.jsp>)

Incompletes

Your instructor may post the interim grade *Incomplete/I* if at the end of the class your overall work is of passing quality but a portion could not be submitted for understandable reasons (e.g. illness). It is your responsibility to petition your instructor for permission to submit work late and to provide an explanation, and it is his or her sole decision whether to accept the explanation. If permitted, the *Incomplete/I* grade will be posted and a time frame defined for you to submit the missing work, ranging from one to twelve weeks. *Incomplete/I* grades that remain unchanged after twelve weeks will lapse to *F*, *NP* or *U*. Receiving an *I* grade entitles you to submit only the missing work your instructor has agreed to accept late, and does not allow other work to be retaken or oblige UCLA Extension to provide continuing access to course materials via Canvas. The *Incomplete/I* grade is not an option for courses that do not bear credit, such as 700, 800, or 900-level courses. For complete information, see:

<https://www.uclaextension.edu/pages/str/grading.jsp> (<https://www.uclaextension.edu/pages/str/grading.jsp>)

All Grades are Final

No change of grade may be made by anyone other than the instructor, and then, only to correct clerical errors. No term grade except *Incomplete* may be revised by re-examination. The correction of a clerical error may be authorized only by the instructor of record communicating directly with personnel of Student and Alumni Services.

Sexual Harassment

The University of California is committed to creating and maintaining a community where all individuals who participate in University programs and activities can work and learn together in an atmosphere free of harassment, exploitation, or intimidation. Every member of the community should be aware that the University prohibits sexual harassment and sexual violence, and that such behavior violates both law and University policy. The University will respond promptly and effectively to reports of sexual harassment and sexual violence, and will take appropriate action to prevent, to correct, and when necessary, to discipline behavior that violates our policy.

All Extension students and instructors who believe they have been sexually harassed are encouraged to contact the Department of Student and Alumni Services for complaint resolution: UCLA Extension, Suite 113, 10995 Le Conte Ave., Westwood; Voice/TTY: (310) 825-7031. View the University's full Policy on Sexual Harassment and Sexual Violence at <http://policy.ucop.edu/doc/4000385/SHSV> (<http://policy.ucop.edu/doc/4000385/SHSV>).

Additional Items

Protecting Privacy and Data During Live Instruction

Live meeting sessions for this class, when applicable, are being conducted over Zoom. As the host, the instructor may be recording live sessions. Only the host has the ability to record meetings, no recording by other means is permitted. Recorded sessions will be posted in the Videos area of this class unless otherwise notified. Due to privacy, recordings are not available for download and are only accessible via Canvas for the duration of the class. If you have privacy concerns and do not wish to appear in the recording, do not turn on your video and/or audio. If you also prefer to use a pseudonym instead of your name, please let the instructor know what name you will be using so that the instructor knows who you are during the session. To rename yourself during a Zoom meeting, click on Participants, click on your name, click on More, click on Rename. If you would like to ask a question, you may do so privately through the Zoom chat by addressing your chat question to the instructor only (and not to "everyone"). Additionally, chat may be used and moderated for live questions, and saving of chats is enabled. If you have questions or concerns about this, please contact the instructor via Canvas Inbox.

Pursuant to the terms of the agreement between Zoom and UCLA Extension, the data is used solely for this purpose and Zoom is prohibited from re-disclosing this information. UCLA Extension also does not use the data for any other purpose. Recordings will be deleted when no longer necessary. However, recordings may become part of an administrative disciplinary record if misconduct occurs during a video conference.

Course and Instructor Evaluation

UCLA Extension values your feedback on course and instructor evaluations. We ask all students to take a few minutes to complete an end-of-course evaluation survey. Updates to the course and instruction are influenced by your feedback. Understanding your student experience is essential to ensure continuing excellence in the online classroom and is appreciated by your instructor and the UCLA Extension academic leadership.

Your participation in a survey is voluntary, and your responses are confidential. After instructors submit grades, they will be given an evaluation report, but this report will not contain your name.

About Your Online Course Materials

Please note the following about online course components at UCLA Extension:

- Students must have basic computer skills, including the use of word processing software, email, and the ability to use internet browsers, such as Safari, Firefox, or Chrome.
- Students are responsible for meeting the technical requirements of Canvas and familiarizing themselves with the Canvas Learning Management System.
 - What are the basic computer specifications for Canvas? <https://guides.instructure.com/m/4214/l/82542-what-are-the-basic-computer-specifications-for-canvas> (<https://guides.instructure.com/m/4214/l/82542-what-are-the-basic-computer-specifications-for-canvas>)
 - Which browsers does Canvas support? <https://guides.instructure.com/m/67952/l/720329-which-browsers-does-canvas-support> (<https://guides.instructure.com/m/67952/l/720329-which-browsers-does-canvas-support>)
- Students are responsible for keeping a copy of all assignments and work submitted, and to be aware of all assignments, due dates, and course guidelines.
- Students are encouraged to keep and/or download a local copy of their assignment files, as **access to the online environment of a specific course is limited to 30 days after the final course date**, as listed in the course catalog.

If you need assistance downloading student materials from your course, please contact Canvas Support or the UCLA Extension Learning Support Team.

UCLA Extension Canvas and Learning Support

For immediate 24/7 Canvas technical support, including holidays, click on **Help** (located on the menu to the left) where you can call or chat live with a Canvas Support representative.

UCLA Extension Instructional Design and Learning Support

The UCLA Extension Learning Support staff assists both students and instructors with Canvas-related technical support, as well as general and administrative questions.

Learning Support staff is available Monday through Friday, from 8 AM to 5 PM (Pacific Time), except holidays:

- Email: support@unexonline.zendesk.com
- Website: <http://support.uclaextension.edu> (<http://support.uclaextension.edu/>)

Schedule

When	Module Title	Notes
Homework 1 and Reading Assignment June 22, 11:59 pm	Overview of financial statement analysis. Financial reporting and analysis.	Exer. 1-2, 1-3 Exer. 2-9, 2-14 Read, Chap. 1 & 2
Homework 2 and Reading Assignment June 29, 11:59 pm	Analyzing financial activities.	Exer. 3-6, 3-9, 3-12 Read, Chap. 3
Homework 3 and Reading Assignment July 6, 11:59 pm	Analyzing investing activities.	Exer. 4-4, 4-7, 4-8 Read; Chap 4
Homework 4 and Reading Assignment July 13, 11:59 pm	Analyzing investing activities: Intercorporate investments.	Exer. 5-1 Prob. 5-1, 5-6 Read: Chap. 5
Homework 5 and Reading Assignment July 20, 11:59 pm	Analyzing operating activities.	Exer. 6-1, 6-2 Read: Chap. 6 Midterm Exam, Chap. 1 – 5
Homework 6 and Reading Assignment July 27, 11:59 pm	Cash flow analysis. Return on invested capital and profitability analysis.	Exer. 7-5, Prob. 8-7 Read: Chap 7 & 8
Homework 7 and Reading Assignment August 3	Prospective analysis	Question 9-6, 9-7 Exer. 9-1 Read: Chap. 9
Homework 8 and Reading Assignment August 10, 11:59 pm	Credit analysis.	Ques. 10-1, 10-5 Exer. 10-4 Read: Chap. 10

When	Module Title	Notes
Homework 9 and Reading Assignment August 17, 11:59 pm	Equity analysis and valuation.	Ques. 11-20 Prob. 11-1 Read: Chap. 11
Homework 10 and Reading Assignment August 24, 11:59 pm	Final Exam	You have this week to study for and to take the final exam. Final Exam Chap. 1-11