

**The Ministry of Higher Education
& Scientific Research
The Kurdistan Region,**



**Salahaddin University-Erbil College
of Administration and Economics
Finance and Banking Department**

**FINANCIAL ANALYSIS COURSE OUTLINE
2023-2024**

Instructor:	Kawa Wali, PhD
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Class Meeting:	Monday 1:35 - 3:25 p.m. (Finance & Banking Building, Room 17)
Office hours:	Monday: 1.30 - 2.30 p.m.

Course Description

This course takes a user-oriented approach to the study of financial statements. It introduces the role of the financial statements and disclosures in the financial reporting process. The focus is on the use of financial ratios and analytical methods to evaluate firm performance and make forecasts of future performance. The overall objective of the course is to develop students' knowledge and skills to be better able to assess firms' financial position, cash flows, earnings quality, and financial prospects.

Course Objectives

This course presents an overview of financial statement analysis (FSA) from a user perspective. The objective is for each student to become an informed and critical user of financial accounting information. This includes: 1. familiarizing students with financial statement analysis concepts and techniques; 2. addressing the role of financial accounting and financial statements in decision-making; and 3. introducing participants to current debates and challenges in financial reporting.

This course introduces a mix of practical tools and theoretical concepts used in FSA. FSA combines applied knowledge of business, accounting, governance, and finance to support decision making. FSA supports decision making in the following broad areas: investing, lending, and performance measurement. FSA can include both historical and future-oriented analysis. Financial statement ratios and other analytical tools will be introduced and applied in real-world corporate analyses. Accounting policy choices and their implications will be addressed. Current issues in financial accounting and corporate reporting will be discussed. In addition, we will emphasize the importance of supplementing FSA with critical thinking and contextual knowledge.

Course Approach

The teaching method uses a varied approach and focuses on active and co-operative learning by the student. The following approaches are used: in-class cases, corporate analyses, real-life examples, readings, lectures, team work, research activities, and classroom discussions. This approach requires you to prepare in advance of each class, and it requires your active participation and involvement in class discussions and cases. The case discussions are designed to facilitate classroom interaction and learning through sharing and cooperation.

Recommended References

Financial Reporting & Analysis: Using Financial Accounting Information, South-Western Cengage Learning, 13th edition (May 10, 2012), by Charles H. Gibson

Financial Reporting and Analysis, McGraw-Hill, 8th edition (2021), by L. Revsine, D. Collins, B. Johnson, F. Mittelstaedt, and L. Soffer

International Financial Statement Analysis, John Wiley & Sons, 2nd edition (May 2012), by Thomas R. Robinson, Elaine Henry, Wendy L. Pirie, Michael A. Broihahn, and Anthony T. Cope

Financial Reporting, Financial Statement Analysis and Valuation, South-Western College Pub, 9th edition (September 2017), by James M. Wahlen, Stephen P. Baginski, and Mark Bradshaw

Grading Scheme first semester

Course Deliverable	Weight on Final Grade	Due Date
Class Participation	5%	Weeks 1 - 9
Group Company Profiles	5%	Week 3
Group Financial Statement Exhibits	5%	Week 5
Group Cash Flow Analysis	5%	Week 7
Group Presentation	10%	Week 8
Semester examination	20%	Week 9
Final Exam	50%	Monday, December, 19
Total	100%	

Class Participation (5 percent)

The success of this course, for both students and professor, depends on active thoughtful participation by the members of the class during lectures and case discussions. Attendance is, of course, an integral part of class participation. The mark each student receives will reflect the quantity and quality of that student's contribution to the course. In addition to assessing attendance, and the professor's evaluation of class participation, students will also be asked to submit a self-assessment of their participation. The grade awarded for class participation will be a composite of these factors. A self-assessment form is attached to this outline (Appendix 3) to facilitate documenting your class contributions in a consistent format. You are urged to update the self-assessment form on a weekly basis.

Note that attendance is a minimum prerequisite for participation. A student who attends class regularly, yet does not participate actively in class activities and discussions should expect a participation grade of no more than 6.0/10.

Group Project and its Component Parts (50 percent)

The College of Administration and Economics encourages group assignments in the college for several reasons. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, follower-ship and other group skills. Group assignments are also good for learning integrative skills for putting together a complex task. Before embarking on a specific problem as a group, it is your responsibility to ensure that the problem is meant to be a group assignment and not an individual one.

Groups of four members will be formed by the professor prior to the first class. Each group will be assigned one major group project in this course. However, the project is broken down into smaller deliverables, each of which builds on the previous parts. There will be group presentations (10%) in class in Week 6.

Group Company Profiles (5%):

An overview of the two firms selected for analysis is to be submitted in Week 3. A brief history of the companies, their key products or services, their main competitors, and their future plans should all be addressed.

Group Common Size, Trend & Ratio Analyses (5%):

The quantitative common size, trend and ratio analyses required for the FSA project are to be handed in for grading and feedback. This will ensure all groups are progressing towards completion of the Industry Analysis project. Include investment ratios and provide ratios/components needed for Dupont analysis.

Group Cash Flow Analyses (5%):

Each group is to analyze recent cash flow statements for the companies selected for their FSA.

Financial Statement Analysis Examination (20%) & Group Presentation (10%):

The financial statement analysis is a major group project to be worked on throughout the course. The final written document must be submitted in Week 6. Financial Statement Analysis projects are to be presented to the class in Week 6. An evaluation matrix for presentation tools for a range of course activities will be provided for this project in advance. The written exam (20%) and group presentation (10%) will be graded separately, with feedback on each component provided separately.

Final Examinations (50 percent)

The final examination (50%) will be written during the regular MBA exam period. It may address any material covered during the course, including the FSA presentations. In order to pass this course, you must obtain a minimum grade on the final exam of 50%. The final exam will be a case-based exam (specific details regarding the delivery method will be provided two weeks prior to the exam date).

Drop Course Policy

The deadline for academic withdrawal is the last day of classes (each term).

Deferred Examination

Students unable to write a final examination because of illness or other circumstances beyond their control must contact the instructor in writing to request a deferred exam. Permission may be granted when the absence is supported by a medical certificate and or appropriate document/s to support the reason for the deferral. Deferred exams are not granted for students who have made travel arrangements that conflict with examination schedule.