

**COURSE DATA****Data Subject**

Code	35890
Name	Financial statements analysis
Cycle	Grade
ECTS Credits	6.0
Academic year	2019 - 2020

Study (s)

Degree	Center	Acad. year	Period
1314 - Degree in International Business	Faculty of Economics	3	Second term

Subject-matter

Degree	Subject-matter	Character
1314 - Degree in International Business	10 - Financial and management accounting	Obligatory

Coordination

Name	Department
GALLEN ORTIZ, MARIA LUISA	44 - Accountancy

SUMMARY

Financial Statement Analysis Accounting is a course aimed at advanced level students enrolled in the International Business degree. The course is designed for students who have good knowledge of financial accounting and finance. It is structured in three parts with eight themes:

Part 1 introduces the problem and provides a broad framework for business analysis and valuation based on the analysis of financial statements.

Part 2 describes the main tools for use in business analysis.

Part 3: the aforementioned tools applied to a variety of business decisions.

The course is both theoretical and practical dimension by which one tries to understand, from the perspective of external users mainly, how to use financial statements in a variety of decision contexts and business valuation. At the conclusion of the course students should:

- Having a good knowledge of the limitations and restrictions of the financial statements and



- Be able to use financial statements to make economic decisions in a wide variety of situations related to business.

PREVIOUS KNOWLEDGE

Relationship to other subjects of the same degree

There are no specified enrollment restrictions with other subjects of the curriculum.

Other requirements

Students should know how to prepare annual accounts of any company or entity and know the different ways that exist to finance its activities.

OUTCOMES

1314 - Degree in International Business

- Prepare, interpret and analyse the accounting information of companies.
- Use the economic and financial information of the company to make decisions.
- Develop the capacity to prepare and defend reports that contribute to the decision-making of public and private agents.
- Conocer los distintos usuarios internos y externos y sus necesidades informativas.
- Conocer los distintos estados financieros de la empresa.
- Conocer las herramientas de análisis de estados financieros.
- Calcular y analizar los distintos ratios de situación financiera y liquidez de la empresa y su capacidad predictiva.
- Calcular y analizar las distintas acepciones de rentabilidad.
- Conocer y analizar otras fuentes de información interna y externa que interviene en los distintos modelos de decisión.

LEARNING OUTCOMES

Knowledge and understanding of the financial statements of the company, individual and group, and use the various tools of analysis to make investment decisions and financing, provide for the viability of activities or investments, predicting the solvency and liquidity of the company and anticipate needs and funding sources. In general the student should be able to use accounting information for management decision making using internal management accounting and financial statements an internal user, and mainly to use financial information as external user (investor capital, creditor, employee, competitor, institution, etc..).



DESCRIPTION OF CONTENTS

1. INTRODUCTION

- 1. The framework for analyzing the company through the analysis of financial statements
 - 1.1. How to approach the analysis of financial statements: from business activities to the financial statements and from the financial statements to the activities
 - 1.2. Analysis of corporate strategy
 - 1.3. Users of financial statement analysis and decisions

2. ANALYSIS TOOLS

- 2. Accounting analysis
 - 2.1. The annual accounts. Content and structure.
 - 2.2. Accrual accounting. vs Cash accounting: the balance sheet and income statement vs. the cash flow statement
 - 2.3. Communication through the financial statements
 - 2.4. The role of accounting standards
 - 2.5. Analysis of the quality of the accounting data
- 3. Financial Analysis I
 - 3.1. The financial profitability(return on equity - ROE)
 - 3.2. The economic profitability (return on investment - ROI - return on assets or ROA--)
 - 3.3. The decomposition of ROE and ROA: profit drivers
 - 3.4. The impact of financial leverage on ROE: leverage effect
- 4. Financial Analysis II
 - 4.1. Analysis of working capital
 - 4.2. The short-term liquidity
 - 4.3. The long-term solvency
 - 4.4. Ratios and financial analysis
- 5. Financial Analysis III
 - 5.1. Statements of cash flows
 - 5.2. Cash flow analysis
- 6. predictive Analytics
 - 6.1. Short-term prediction
 - 6.2. Long-term prediction
 - 6.3. Break-even analysis

**3. FINANCIAL ANALYSIS AND INVESTMENT AND FINANCING DECISIONS**

7. Analysis applied to the valuation of companies and equity participations

7.1. Equity security analysis and market efficiency

7.2. Fundamental analysis vs. technical analysis

7.3. Valuation based on accounting data

7.4. Mergers and acquisitions

8. Analysis applied to funding decisions

8.1. The market for credit

8.2. Credit analysis process

8.2. Prediction of financial difficulties

WORKLOAD

ACTIVITY	Hours	% To be attended
Theory classes	30,00	100
Classroom practices	30,00	100
Development of group work	25,00	0
Study and independent work	25,00	0
Readings supplementary material	10,00	0
Preparing lectures	15,00	0
Preparation of practical classes and problem	15,00	0
TOTAL	150,00	

TEACHING METHODOLOGY

First, magisterial lesson will be a participatory classroom to present the essential theoretical content. The practical application of theoretical content will take place in practical classes where problems and case study will be solved with application of techniques and/or oral presentations, discussions, individual and / or team. The independent work will be supervised and based on reading and assessment reports, exercises and/or individual projects and/or team.

EVALUATION

There will be a final exam at the end of the course which will include all items listed in the program. The final exam will evaluate the theoretical and practical knowledge of students, assuming a 70% valuation of the final grade. To pass the course, 5 points out of a total of 10 in the final exam will be required. Students who do not pass the exam will have another chance in the second call.



In addition, students must realize a group project (3 students maximum) which will consist in a case study under the teacher's supervision. This group project will have a valuation of 30% of the final grade. (Mark non recoverable on the second call)

REFERENCES

Basic

- PALEPU, K.G., P.M. HEALY, y V.L. BERNARD (2004) Análisis y valuación de negocios mediante estados financieros. Segunda edición. Thomson (Ref. PHB)
- PALEPU, K.G. P.M. HEALY and E. PEEK (2012) Business Analysis and Valuation IFRS edition, South Western Cengage Learnings (Ref PHP)
- ARCHEL DOMENECH, P., LIZARRAGA DALLO, F., SÁNCHEZ ALEGRÍA, S. y CANO RODRÍGUEZ, M. (2010). Estados Contables. Elaboración, análisis e interpretación. Editorial Pirámide.
- GARRIDO MIRALLES, P. e ÍÑIGUEZ SÁNCHEZ, R. (2013). Análisis de Estados contables. Elaboración e interpretación de la información financiera. Editorial Pirámide.

Additional

- PENMAN, S.H (2013). Financial Statement Analysis and Security Valuation. 5th ed. New York: McGraw-Hill.

ADDENDUM COVID-19

This addendum will only be activated if the health situation requires so and with the prior agreement of the Governing Council

1.Contenidos

Se prioriza el contenido de los temas 1, 2, 3, 4 y 5 para garantizar el cumplimiento de los objetivos esenciales de la materia que son el conocimiento y comprensión de los estados financieros de la empresa o grupos de empresas. En el contexto de docencia on line o no presencial esta priorización permite una mejor consecución de las competencias recogidas en la guía docente. Se eliminan los temas 6, 7 y 8, dado su carácter secundario para la consecución de los objetivos y las competencias.

2. Volumen de trabajo y planificación temporal de la docencia

La guía docente recoge una presencia en el aula de 30 horas de teoría y 30 horas de prácticas, de las que falta el 50% a la fecha de inicio de la docencia no presencial.

En la parte teórica de la asignatura se mantiene en formato online. Los temas pendientes de impartir se



están explicando a los alumnos en esta modalidad no presencial.

En la parte práctica también se mantiene la temporalidad y la carga de trabajo inicialmente planteada en la guía docente.

3. Metodología docente

- Sesiones por videoconferencia en la plataforma Blackboard Collaborate.
- Explicaciones detalladas de los temas de teoría y de contenidos específicos de la materia a través de documentos elaborados ad hoc que permitan una mejor comprensión de las diapositivas.
- Suministro de las prácticas resueltas en el aula virtual.
- Actividades de entrega de evaluación continua abiertas mediante la opción de Tareas y Cuestionarios en el aula virtual.
- Actividades de evaluación continua mediante Cuestionarios del aula virtual.
- El sistema de tutorías se amplía, permitiendo que los alumnos puedan preguntar continuamente a través del foro del aula virtual y a través de su correo de alumni.

4. Evaluación

Incremento del peso de la evaluación continua, que es del 30% de la calificación total en la guía docente, a un 75% de la calificación total. La evaluación continua se distribuirá de la siguiente forma:

- el trabajo en grupo que figura en la guía docente se valorará con el 50% de la calificación total.
- el 25% restante se valorará con las actividades evaluables programadas como Tareas y Cuestionarios en el aula virtual.

Reducción del peso del examen o prueba final, que pasa del 70% que recoge la guía docente a un 25% de la calificación total. Dicho examen será online, en la fecha destinada a la prueba final presencial según el calendario de exámenes de la Facultat d'Economía de la UV.

Si una persona no dispone de los medios para establecer la conexión a internet y acceder al aula virtual, deberá contactar con las profesoras por correo electrónico en el momento de publicación de este anexo a la guía docente.

5. Bibliografía



Se mantiene la bibliografía recogida inicialmente en la guía docente, pero su contenido puede sustituirse por el material disponible en el aula virtual.

