Financial Statement Analysis and Valuation

Module Code: AFE7023-A
Academic Year: 2018-19
Credit Rating: 10
School: School of Management
Subject Area: Accounting, Finance and Economics
FHEQ Level: FHEQ Level 7 (Masters)

Pre-requisites:
Co-requisites:

Contact Hours

<table>
<thead>
<tr>
<th>Type</th>
<th>Hours</th>
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<tbody>
<tr>
<td>Lectures</td>
<td>12</td>
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<tr>
<td>Tutorials</td>
<td>12</td>
</tr>
<tr>
<td>Directed Study</td>
<td>74.5</td>
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<tr>
<td>Examinations DO NOT USE</td>
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Availability Periods

<table>
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<tr>
<th>Occurrence</th>
<th>Location/Period</th>
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<tr>
<td>BDA</td>
<td>University of Bradford / Full Year (Sept - Aug)</td>
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<tr>
<td>BDA</td>
<td>University of Bradford / Semester 2 (Feb - May)</td>
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Module Aims

Financial Statement Analysis and Valuation provides an understanding of how investors and corporate financiers use company report and accounts and other publicly available financial and non-financial information to assess the position, performance, prospects and to help management to take relevant decisions.

Outline Syllabus

Main components of Financial Statements
The horizontal and vertical analysis
The analysis of profitability and growth, and liquidity. 
Helping management to take different types of decisions 
Helping management to consider emerging issues (Environmental accounting) 
Helping management to consider emerging issues (Total Quality Management)

**Module Learning Outcomes**

*On successful completion of this module, students will be able to...*

1. 1a. Perform financial statement analysis; 
   1b. Use the information provided in company report and accounts and other publicly available financial and non-financial information as the basis for forecasting the future financial position of the firm and valuing the firm from the investors, management and lenders’ perspectives.

2. 2a. Carry out detailed ratio analysis and discuss its limitations; 
   2b. Forecast the future financial position of the organisation based on the current financial statements and use corporate reports and other publicly available information to value the debt and equity of firms; 
   2c. Discuss the usefulness and drawbacks of different management decisions and assist the management to take the right decision.

3. 3a. Demonstrate problem solving skills; 
   3b. Demonstrate the ability to utilize various resources and databases on corporations; 
   3c. Demonstrate communication and teamwork skills.

**Learning, Teaching and Assessment Strategy**

There will be a 1 hour staff-led lecture each week followed by a 1 hour student-led seminar. Lectures will cover core theory and empirical evidence. In the seminars students will be asked to present solutions to pre-prepared numerical exercises, which will give students the opportunity to check their understanding of the syllabus. Students will be assessed based on a group assignment and a closed-book examination. Delivery of the module will be through the use of exercises, appropriate reading and formative feedback on group assignments, during tutorials and through individual consultations. Written feedback will also provide to the group assignment. Directed study will consist of personal reading, preparation for work required for the seminar, and working on the summative group assignment. The formative feedbacks given to individuals and groups, and teaching methods used throughout the module will prepare individuals for their assessments. The group assignment will enable students to collaborate in working through a more complex application of the material and will assess learning outcomes 1a, 1b, 2b, 2c, and 2d and support the achievement of learning outcomes 3a, 3b, and 3c. The examination will assess learning outcomes 1a, 1b, 2a, 2b, 2c, and 2d and support the achievement of learning outcomes 3a and 3c. In addition, the group assignment allows students to consider a company’s corporate governance structure and its related social and environmental practices when valuing the firm, and identify whether earnings are sustainable.
<table>
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<tr>
<th>Mode of Assessment</th>
<th>Type</th>
<th>Method</th>
<th>Description</th>
<th>Length</th>
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<td></td>
<td>Summative</td>
<td>Examination - closed book</td>
<td>Closed book examination</td>
<td>1.5 hours</td>
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<td>Summative</td>
<td>Coursework</td>
<td>Group coursework (3000 words); Supplementary assessment: Individual coursework (1000 words)</td>
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**Legacy Code (if applicable)**

MAN4270M

**Reading List**

To view Reading List, please go to [rebus:list](rebus:list).