

Capital University of Economics and Business

Overseas Chinese College

Course Syllabus

<u>Year and Semester</u>	2020 Spring (March 2, 2020 - July 12, 2020)
<u>Course Name</u>	Financial Reporting and Analysis
<u>Course Code</u>	FA202
<u>Course Type</u>	<input type="checkbox"/> General Education (Required) <input type="checkbox"/> General Education (Elective) <input checked="" type="checkbox"/> Professional Course (Required) <input type="checkbox"/> Professional Course (Elective) <input type="checkbox"/> Basic Disciplinary Course
<u>Course Credits</u>	4
<u>Course Hours</u>	64
<u>Prerequisites</u>	FA 202
<u>Instructor</u>	Bu Liya (Catherine Bu)
<u>Contact Information</u>	Office: C203 Tele: (010)83951085 Email: buliya@cueb.edu.cn
<u>Office Hour</u>	T/W/Th: 3:00-5:00
<u>Learning Centre</u>	M: 18:00-20:00; T: 1:00-3:00
<u>Grade/Section</u>	2018BA/Y01//Y02
<u>Course Time/Place</u>	Y01 W: 8:00—9:50 / 5#210 Y02 T/F: 8:00-9:50 / 5#212 F: 10:10—12:00 / 5#210;

Textbook

K. R. Subramanyam. *Financial Statement Analysis (11th Edition)*. China Renmin Univeristy Press, Beijing, ISBN 978-7-300-19634-3.

Reference Book

1. Robert N. Anthony. *Accounting, 13th Edition*. McGraw-Hill Education – Europe, ISBN 978-0-071-28909-2.

Course Description

This course builds upon what you learned in Financial Accounting: Foundations and Financial Accounting: Advanced Topics and introduces you to formal foundations of financial accounting. The main purpose of the course is to familiarize you with technical terms in financial accounting, such as debit, credit and T-account. While knowledge on technical aspects of financial accounting is not necessary to understand and interpret financial statements, this knowledge is critical to be able to understand advanced topics in accounting.

Student Learning Objectives

After completing this course, students will be able to:

- ♦ Describe the objectives of cash management and internal controls over cash.
- ♦ Account for uncollectible receivables using the allowance and direct write-off methods.

- ♦ Determine the cost of plant assets, compute depreciation methods.
- ♦ Account for the disposal of plant assets.
- ♦ Account for notes payable and interest expense.
- ♦ Prepare an amortization table allocating payments between interest and principal.
- ♦ Evaluate the safety of creditors' claims.
- ♦ Account for paid-in capital and prepare the equity section of a corporate balance sheet.
- ♦ Explain the significance of book value and market value of capital stock.
- ♦ Distinguish between basic and diluted earnings per share.
- ♦ Describe and prepare and statement of stock holders' equity and the stock holders' equity section of the balance sheet.
- ♦ Compute net cash flows from operating activities using the indirect method.

Website Source

1. <https://www.principlesofaccounting.com>
2. <https://www.accaglobal.com>

Teaching Methods

This course contains lectures, class discussions, homework, quizzes, presentation and exams. Textbook content will be introduced first. Then real case and practice questions will be delivered to students as a way to test their understanding of the knowledge. This will require individual or group assignment in or after class.

Grade Criterion

Component	Weight	Description
Final Exam	20%	A cumulative final examination will be given based on all of the contents of the class. The exam paper may be composed of multiple-choice questions, short answer questions, essay questions, problems, and preparation of financial statements. Students should rely primarily on homework assignments to give them a sense of what they may see for material on exams.
Mid-Term Test	20%	A cumulative midterm test will be given based on all of the contents that have been taught in class. The test paper may be mainly composed of multiple-choice questions and it should be completed within 15 minutes in class.
Homework	15%	Most of the assigned homework is taken from the Exercises in the textbook. Assignments will be collected at the clearly stated date. Late assignments will not be accepted. The graded assignments will be kept by the tutor for reference and won't be returned to students.
Quizzes	15%	There will be at least 2 quizzes during the semester. Quizzes may or may not be announced in advance. It may also be used as a way to check the attendance. Quizzes will test your knowledge of both concepts and the application of those concepts.
Presentation	10%	The students will be divided into several groups to prepare a presentation. Each student is required to be involved in the presentation. The topics

		can be selected from the textbook or lectures. Each group need to finish a PPT related to the topic which is given and hand in the related resources to the teacher before the presentation.
Participation	10%	Individuals will be asked to participate individually in a question and answer at least 5 times during the semester. The performances should be counted in their participation.
Attendance	10%	Refer to attendance policy listed below
Total	100%	

Detailed Grade Computation

	Before Midterm	After Midterm
Attendance	5%	5%
Participation	5%	5%
Homework	5%	10%
Quizzes	5%	10%
Presentation		10%
Midterm test	20%	
Final exam		20%
Total	40%	60%

Grading Policy

A+ 97-100	A 93-96	A- 90-92	B+ 87-89	B 83-86	B- 80-82
C+ 75-79	C 70-74	C- 67-69	D+ 63-66	D 62-60	F 0-59

Exam Schedule

Midterm Test: April 22 - 26, 2019;

Final Exam: July 8-12, 2019

Assessment of Student Performance

☞ Self-Study and Reading ability Practice

Instructor will give out the chapters or the reference books to read and use class hours to have discussion; students should be able to show a proactive attitude and ability for self-study and reading. Knowledge and oral English will be elements of homework or presentation score.

☞ Homework

Students should finish their homework by themselves. Copying from others will be treated as cheating and the homework scores will be lowered. Students should hand in all assignments on time. Late assignments will be accepted at the discretion of the instructor (i.e., when the student was ill or had an excused absence). Late assignments without reasonable proof will be reduced in score by 50%.

☞ Attendance

Because the course covers a great deal of material, attending every class session is very important for performing well.

- ◆ Being late for 15 minutes or more is considered an absence.
- ◆ Five hours or above of unexcused absences will result in the lower level of the final grade by one

grade band (e.g. from C – to D +). Any excused absence must be discussed directly with the teacher.

- ♦ Absence which is more than 1/3 of the total teaching hours will cause an F (a failing grade) directly. but students are welcome to continue attending classes.
- ♦ An incomplete grade (I) will be considered in case of medical or family emergencies.

☞ Participation

- ♦ Students should participate in classes actively. Half of participation grade is determined by their presentation in class. They are encouraged to ask questions relevant to the subject and express their own opinions. Every student should respect the ideas, opinions, and questions of their classmates.
- ♦ Students should also use office hours to ask questions or talk with the instructor for good communication and effective learning.
- ♦ Frequent visiting the instructor and chatting in English during office hours is highly recommended.
- ♦ Any misbehavior and non-class related activities in class will result in the lower level of the participation grade, including ringing cell phones.
- ♦ All above behaviors will be solely evaluated by the instructor for scoring.

☞ Textbook

Students must bring the textbook to class.

Course Outline

Week	Topics
2	<ul style="list-style-type: none"> ● Syllabus ● Chapter 1 Overview of Financial Statement Analysis <ul style="list-style-type: none"> • financial statement users and their information needs • business analysis and financial statement analysis • business activities in relation to financial statement
	<ul style="list-style-type: none"> ● Chapter 1 Overview of Financial Statement Analysis <ul style="list-style-type: none"> • purpose of financial statement • Types of data available for analysis
3	<ul style="list-style-type: none"> ● Chapter 2 Financial reporting and analysis <ul style="list-style-type: none"> • Rules followed by accountants • Environmental factors affect financial reporting.
	<ul style="list-style-type: none"> ● Chapter 2 Financial reporting and analysis <ul style="list-style-type: none"> • Key accounting concepts to financial statements and reporting income. • Key limitations to financial statements.
4	<ul style="list-style-type: none"> ● Chapter 4 Analysing investing activities <ul style="list-style-type: none"> • current assets
	<ul style="list-style-type: none"> ● Chapter 4 Analysing investing activities <ul style="list-style-type: none"> • long-lived assets
5	<ul style="list-style-type: none"> ● Chapter 4 Analysing investing activities <ul style="list-style-type: none"> • intangible assets
	<ul style="list-style-type: none"> ● Chapter 3 Analyzing financing activities <ul style="list-style-type: none"> • Capital versus Operating lease
6	<ul style="list-style-type: none"> ● Chapter 3 <ul style="list-style-type: none"> • Different sources for finance: liabilities, capital and off-balance sheet transaction
	<ul style="list-style-type: none"> ● Chapter 5 Analyzing investing activities: intercorporate

	<ul style="list-style-type: none"> • Debt security • Equity security • Equity method accounting
7	<ul style="list-style-type: none"> ● Chapter 5 Analyzing investing activities: intercorporate <ul style="list-style-type: none"> • Business combination • Derivative securities • Fair value option
	<ul style="list-style-type: none"> ● Chapter 6 Analysing operating activities <ul style="list-style-type: none"> • Income measurement • Non-recurring items • Revenue recognition
8	<ul style="list-style-type: none"> ● Chapter 6 Analysing operating activities <ul style="list-style-type: none"> • Deferred charges • Employee benefits • Interest costs
	<ul style="list-style-type: none"> ● Quiz 1 ● Chapter 6 Analysing operating activities <ul style="list-style-type: none"> • Divisional structure and performance measure
9	<ul style="list-style-type: none"> ● Chapter 7 Cash flow analysis <ul style="list-style-type: none"> • Relevance of Cash • Reporting by Activities
	<ul style="list-style-type: none"> ● Chapter 7 Cash flow analysis <ul style="list-style-type: none"> • Indirect method for Preparation of the SCF • Steps in Constructing the Statement • Special Topics
10	<ul style="list-style-type: none"> ● Mid Review
	<ul style="list-style-type: none"> ● Mid-term test
11	<ul style="list-style-type: none"> ● Chapter 8 Return on Invested Capital and Profitability Analysis <ul style="list-style-type: none"> • Importance of Joint Analysis • Analysis of ROI • Analysis of ROA
	<ul style="list-style-type: none"> ● Chapter 8 Return on Invested Capital and Profitability Analysis <ul style="list-style-type: none"> • Analysis of ROCE • Profit margins • Assets turnover
12	<ul style="list-style-type: none"> ● Chapter 9 Prospective Analysis <ul style="list-style-type: none"> • Projected Income Statement • Projected Balance Sheet
	<ul style="list-style-type: none"> ● Chapter 9 Prospective Analysis <ul style="list-style-type: none"> • Sensitivity Analysis • Trends in Value Drivers
13	<ul style="list-style-type: none"> ● Chapter 10 Credit Analysis

	<ul style="list-style-type: none"> • Liquidity and Working Capital • Operating Activity Analysis of Liquidity • Additional Liquidity Measures
	<ul style="list-style-type: none"> ● Chapter 10 Credit Analysis <ul style="list-style-type: none"> • Basics of Solvency • Capital Structure Composition and Solvency • Earnings Coverage
14	<ul style="list-style-type: none"> ● Chapter 11 Equity Analysis and Valuation <ul style="list-style-type: none"> • Earnings Persistence • Earnings Based Equity Valuation
	<ul style="list-style-type: none"> ● Quiz 2 ● Chapter 11 Equity Analysis and Valuation <ul style="list-style-type: none"> • Earning Power and Forecasting for Valuation
15	Presentation I (2-3 groups)
	Presentation II (2-3 groups)
16	Final Review
	Final Review
17	Final Exams
18-20	Sophomore student's Social Practice

Teacher's Office Hour

- ♦ The instructor's office hour is shown in the front of the office door.
- ♦ Students are suggested to use the instructor's office hour and learning center to ask questions or talk with the instructor once at least per week for good communication and effective learning, which is recorded in the students' participation.
- ♦ The time can be scheduled by instructors or students, or both.

Cheating and Plagiarism

Cheating is not tolerated. Any student caught cheating on a quiz; test or exam will be given a mark of zero (0) for the particular work. At the beginning of the semester the definition of plagiarism will be carefully explained, when any thoughts or writings of another person are used, they must be clearly identified (usually one uses quotation marks) and the source notes. **If any student is caught cheating on any homework assignment, the highest score the student can earn in that course is a "C".**

Important Dates

Spring Semester, 2020	February 23, 2019— July 12, 2019
February. 23	Registration
February. 24	Classes Begin
February. 28	Last Day to Drop or Add a course
Apr. 4	Qing Ming Festival
Apr. 17	Spring Sports
Apr. 20-24	Mid-term Test (tentative)
May 1	Labor Day
May 11-15	Summer School Registration (tentative)

June 15-19	Sophomore and Junior students' Final Exam
June 22 - July 12	Sophomore and Junior students' Social Practice, Summer School
June 25	Dragon-Boat Festival
June 27 – July 10	Revision and Final Exam Period
July 13	Summer Vacation Begins

Note:

- Over the course of the semester, every attempt will be made to follow the daily schedule listed in the syllabus. However, depending on overall class progress, the syllabus may be adjusted. Any departures from the syllabus will be announced in class.*
- Due to the novel coronavirus epidemic, online teaching methods would be used for a period of time. Any adjustments may be made to the traditional teaching methods and original course schedule.*

Instructor: _____

Department Head: _____

