APPLIES TO ACADEMIC YEAR 2016/2017

GRA 6225 Financial Statement Analysis

Programme
Master in Accounting and Auditing

Responsible for the course
Sverre Dyrnes, Ignacio Garcia de Olalla Lopez

Department
Department of Accounting - Auditing and Business Analytics

Term
According to study plan

ECTS Credits
6

Language of instruction
English

Introduction
This course adopts a user's perspective in reviewing accounting practices, procedures and disclosure requirements. The students will learn financial statement analysis from the point of view of the primary and everyday users of financial statements: company managers, lenders and stock analysts.
We will examine where to find the information and what it indicates about the "health of the company". The course demonstrates how financial information can be used to evaluate a company's past performance and present circumstances as well as what might transpire in the future (forecasts).

Learning outcome
The objective of this course is to enable the students to comprehend and critically evaluate the financial information included in corporate annual reports and other sources. At that point, the mission of financial statement analysis is accomplished.

Prerequisites

All courses in the Masters programme will assume that students have fulfilled the admission requirements for the programme. In addition, courses in second, third and/or fourth semester can have spesific prerequisites and will assume that students have followed normal study progression. For double degree and exchange students, please note that equivalent courses are accepted.

Compulsory reading
Books:
Thomas R. Robinson, Elaine Henry, Wendy L. Pirie, Michael A. Broihahn, Anthony T. Cope. 2015. International Financial Statement Analysis. 3rd ed.. Wiley

Recommended reading
Books:
Elliott, Barry and Jamie Elliott. 2013. Financial Accounting and Reporting. Prentice Hall
Palepu, Bernard, Paul M. Healy and Erik Peek. 2013. Business Analysis & Valuation. IFRS edition. Thomson/South-Western Publishing Co
Petersen, Christian V. & Thomas Plenborg. 2012. Financial Statement Analysis. Financial Times Prentice-Hall. Ch. 1-8, 11 and 13-15
Revsine, Collins and Johnson. 2008. Financial Reporting and Analysis: International edition. Pearson
Wahlen, James M., Baginski & Bradshaw. 2015. Financial Reporting, Financial Statement Analysis and Valuation. 8th ed.. South-Western

Course outline
1. The annual report and decision making
2. Annual report contents
3. The financial statement analysis process
4. Some important financial statement analysis issues
5. Structure and content of the income statement, the balance sheet and cash flow statement with accompanying notes
6. Financial reporting quality analysis

7. Profitability, growth and cash flow analysis
8. Credit risk analysis

Computer-based tools
Not applicable

Learning process and workload
A course of 6 ECTS credits corresponds to a workload of 160-180 hours.

Please note that while attendance is not compulsory in all courses, it is the student's own responsibility to obtain any information provided in class that is not included on the course homepage/It's learning or text book.

Coursework requirements

Examination
Your course grade will be based on the following activities and weights:
30 % Assignment (mid-term paper) - group of max. 3 students
70 % Final 3-hour written examination - individual
The student can choose to answer the examination in English or in Norwegian.

Form of assessment	Weight	Group size
Assignment	30%	Group of max 3 students
Written examination 3 hours	70%	Individual

Specific information regarding student assessment will be provided in class. This information may be relevant to requirements for term papers or other hand-ins, and/or where class participation can be one of several components of the overall assessment. All parts of the assessment must be passed in order to get a grade in the course. Candidates may be called in for an oral hearing as a verification/control of written assignments.

Examination code(s)
GRA 62251 assignment (mid-term paper) accounts for 30 % of the final grade.
GRA 62252 written 3-hour examination accounts for 70 % of the final grade.
Both parts of the evaluation must be passed in order to get a grade in the course.

Examination support materials
BI approved exam calculator
Bilingual dictionary
Permitted examination support materials for written examinations are detailed under examination information in the student portal @bi. The section on support materials and the use of calculators and dictionaries should be paid special attention to.

Re-sit examination
It is only possible to retake an examination when the course is next taught. The assessment in some courses is based on more than one exam code. Where this is the case, you may retake only the assessed components of one of these exam codes. All retaken examinations will incur an additional fee. Please note that you need to retake the latest version of the course with updated course literature and assessment. Please make sure that you have familiarised yourself with the latest course description.

Additional information
Honour code. Academic honesty and trust are important to all of us as individuals, and are values that are integral to BI's honour code system. Students are responsible for familiarising themselves with the honour code system, to which the faculty is deeply committed. Any violation of the honour code will be dealt with in accordance with BI's procedures for academic misconduct. Issues of academic integrity are taken seriously by everyone associated with the programmes at BI and are at the heart of the honour code. If you have any questions about your responsibilities under the honour code, please ask. The learning platform itslearning is used in the teaching of all courses at BI. All students are expected to make use of itslearning.