



The University of Southern Queensland

## Course specification

The current and official versions of the course specifications are available on the web at <http://www.usq.edu.au/coursespecification/current>.  
Please consult the web for updates that may occur during the year.

### Description: Financial Statement Analysis

Subject	Cat-nbr	Class	Term	Mode	Units	Campus
ACC	8105	75401	1, 2008	EXT	1.00	Toowoomba

<b>Academic group:</b>	FOBUS
<b>Academic org:</b>	FOB008
<b>Student contribution band:</b>	3A
<b>ASCED code:</b>	081199

### STAFFING

Examiner: Julie Cotter  
Moderator: Mark Vallely

### OTHER REQUISITES

Students are required to have access to a personal computer, e-mail capabilities and Internet access to USQConnect. Current details of computer requirements can be found at <http://www.usq.edu.au/business/aboutfob.htm>

### SYNOPSIS

Financial statements are used extensively in decision making. People use financial statements to help them make decisions about share trading and about making and reviewing lending decisions. This course introduces students to techniques that will help them make informed decisions when using financial statements. We use financial analysis techniques to assess the quality of the accounting information provided, to derive the intrinsic value of a company and to assess a company's likelihood of failure. Formerly FIN8105.

### OBJECTIVES

The course objectives define the student learning outcomes for a course. The assessment item/s that may be used to assess student achievement of an objective is/are shown in parentheses after each objective. On successful completion of this course, students should be able to:

1. demonstrate an understanding of the range of techniques employed in financial statement analysis and the role of both financial and non-financial data (Assignments 1, 2 and 3)
2. discuss the role of information in capital markets and the concept of market efficiency (Assignments 1, 2 and 3)
3. identify and evaluate information sources (Assignments 1, 2 and 3)
4. analyse financial statements (Assignments 1, 2 and 3)
5. critically analyse the likely impact of corporate information releases on the market value of securities (Assignments 1, 2 and 3)
6. identify and predict financial distress through the use of financial information (Assignments 1, 2 and 3).

## TOPICS

	Description	Weighting (%)
1.	The capital market context	5.00
2.	Returns and valuation models	10.00
3.	Accounting-based valuation	20.00
4.	Analysis of financial statements	25.00
5.	Forecasting and valuation	20.00
6.	Accounting analysis and valuation	10.00
7.	Risk analysis	10.00

## TEXT and MATERIALS required to be PURCHASED or ACCESSED

ALL textbooks and materials are available for purchase from USQ BOOKSHOP (unless otherwise stated). Orders may be placed via secure internet, free fax 1800642453, phone 07 46312742 (within Australia), or mail. Overseas students should fax +61 7 46311743, or phone +61 7 46312742. For costs, further details, and internet ordering, use the 'Textbook Search' facility at <http://bookshop.usq.edu.au> click 'Semester', then enter your 'Course Code' (no spaces).

Penman, S 2007, *Financial statement analysis and security valuation*, 3rd edn, McGraw-Hill/Irwin, New York.

## REFERENCE MATERIALS

Reference materials are materials that, if accessed by students, may improve their knowledge and understanding of the material in the course and enrich their learning experience.

Ball, R, Brown, P, Finn, F & Officer, R (eds) 1989, *Share markets and portfolio theory*, 2nd edn, Queensland University Press, St Lucia, Queensland.

Ball, R & Kothari, S 1994, *Financial statement analysis*, McGraw-Hill, New York.

Foster, G 1986, *Financial statement analysis*, 2nd edn, Prentice-Hall International, Englewood Cliffs, New Jersey.

Francis, JC 1991, *Investments: analysis and management*, 5th edn, McGraw-Hill, New York.

Horngren, C 2006, *Introduction to financial accounting*, 9th edn, Prentice-Hall, Upper Saddle River, New Jersey.

Palepu, KG & Healy, PM 2008, *Business analysis and valuation using financial statements*, 4th edn, Thomson South-Western, Mason, Ohio.

Popoff, B & Cowan, TK 1989, *Analysis and interpretation of financial statements*, 3rd edn, Butterworths, North Ryde, New South Wales.

## STUDENT WORKLOAD REQUIREMENTS

ACTIVITY	HOURS
Assessments	48.00
Directed Study	98.00
Private Study	19.00

## ASSESSMENT DETAILS

Description	Marks out of	Wtg (%)	Due date
ASSIGNMENT 1	20.00	20.00	26 Mar 2008
ASSIGNMENT 2	40.00	40.00	07 May 2008
ASSIGNMENT 3	40.00	40.00	13 Jun 2008

## IMPORTANT ASSESSMENT INFORMATION

- Attendance requirements:**

If you are an international student in Australia, you are advised to attend all classes at your campus. For all other students, there are no attendance requirements for this course. However, it is the students' responsibility to study all material provided to them or required to be accessed by them to maximise their chance of meeting the objectives of the course and to be informed of course-related activities and administration.
- Requirements for students to complete each assessment item satisfactorily:**

To satisfactorily complete an individual assessment item a student must achieve at least 50% of the marks. (Depending upon the requirements in Statement 4 below, students may not have to satisfactorily complete each assessment item to receive a passing grade in this course.)
- Penalties for late submission of required work:**

If students submit assignments after the due date without prior approval of the examiner, then a penalty of 5% of the total marks gained by the student for the assignment may apply for each working day late up to ten working days at which time a mark of zero may be recorded.
- Requirements for student to be awarded a passing grade in the course:**

To be assured of receiving a passing grade a student must achieve at least 50% of the total weighted marks available for the course.
- Method used to combine assessment results to attain final grade:**

The final grades for students will be assigned on the basis of the aggregate of the weighted marks obtained for each of the summative assessment items in the course.
- Examination information:**

There is no examination in this course.
- Examination period when Deferred/Supplementary examinations will be held:**

Not applicable
- University Regulations:**

Students should read USQ Regulations 5.1 Definitions, 5.6 Assessment, and 5.10 Student Academic Misconduct for further information and to avoid actions which might contravene

university regulations. These regulations can be found at <http://www.usq.edu.au/corporateservices/calendar/part5.htm>. Students should also read the Faculty of Business Policies and Procedures which can be found at <http://www.usq.edu.au/business/aboutfob.htm>.

## **ASSESSMENT NOTES**

- 1 Assignments: (i) The due date for an assignment is the date by which a student must despatch the assignment to the USQ. The onus is on the student to provide proof of the despatch date, if requested by the examiner. (ii) Students must retain a copy of each item submitted for assessment. This must be produced within 24 hours if required by the examiner. (iii) In accordance with university policy, the examiner may grant an extension of the due date of an assignment in extenuating circumstances. All applications for assignment extensions must be accompanied by appropriate supporting documentation. Under no circumstances will assignments submitted more than two calendar weeks after the due date be accepted. (iv) The examiner will not accept submission of assignments by facsimile. (v) Assignments are to be submitted in the appropriate assignment folders.
- 2 Course weightings: Course weightings of topics should not be interpreted as applying to the number of marks allocated to questions testing those topics in assignments.
- 3 Dishonest actions: (i) Any student who is alleged to have performed a dishonest action relating to any assessment in the course will have a course of action taken against him/her as outlined in the Academic Regulations. (ii) Pieces of assessment should be the work of individual students. Joint pieces of assessment are not permitted unless written approval has been obtained from the Examiner. (iii) Dishonest action in relation to assessment includes: copying or attempting to copy the work of others; use of or attempting to use information prohibited from use in that form of assessment; submitting the work of another as your own; consciously committing acts of plagiarism, that is, taking and using another's thoughts or writings as one's own with intent to deceive, which occurs when paragraphs, sentences, a single sentence or significant parts of a sentence which are copied directly, are not enclosed in quotation marks and appropriately referenced in the text; direct quotations are not used, but text is paraphrased or summarised, and the source of the material is not acknowledged by footnoting or other reference in the text.