

MODULE SPECIFICATION

Part 1: Information								
Module Title	Financial Statement Analysis							
Module Code	UMACLK-15-M		Level	М				
For implementation from	September 2018							
UWE Credit Rating	15		ECTS Credit Rating	7.5				
Faculty	FBL		Field	Accounting and Finance				
Department	Accounting, Economics and Finance							
Contributes towards		MSc Finance (Compulsory), MSc Accounting and Finance (Compulsory), MBA (Elective)						
Module type:	Stand	andard						
Pre-requisites		None						
Excluded Combinations		None						
Co- requisites		None						
Module Entry requirements		None						

Part 2: Description

The module aims to engender in participants the ability to analyse companies more precisely from a financial viewpoint. It provides participants with a set of tools for analysing individual companies within the context of their industry and the wider macroeconomic environment of the country where they are located.

The module focuses in particular on company valuation as a key outcome of the investment analysis process, thereby enabling participants to provide sensible and objective investment advice when considering the company's shares. The question we will keep coming back to is: "How are companies valued from the viewpoint of the seller, buyer, banker, stock market equity investor, bond market investor, venture capitalist?"

The following topics will be covered:

- introduction to the fundamental analysis approach to investment
- structured financial statement analysis, exploring how to analyse the key financial statements
- analysis of the wider information in the annual report, including the narrative sections
- financial ratio analysis, focusing upon profitability, investment, liquidity, gearing, and efficiency ratios
- structured company analysis, examining how investment analysts construct a formal company report
- structured macroeconomic and industry analysis, considering how to understand the environmental impact upon the firm's current and potential future performance and position
- equity valuation techniques, including dividend models, multiples models and free cash flow models
- financial statement modelling using Excel to arrive at sensible equity values and then to engage in sensitivity analyses
- assessing financial and other risks, using univariate and multivariate models such as the Z-score model

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- technical analysis as an alternative approach to fundamental analysis
- contemporary issues in financial statement analysis, including the limitations of the tools and approaches from across the syllabus and the impact of creative accounting on the financial statement analyst

Part 3: Assessment

- Much of the teaching and learning is based around the analysis of case firms. The module will also be
 assessed directly through a case firm-based in-class test (component A) and a case firm-based individual
 report (component B).
- Formative assessment is provided from the start of the module though tutorials, during which students will work through case study firm analyses and computational problems, with feedback from the tutor. A key element of this is the case firm tear sheet presentation which will take place during the tutorial sessions early in the module schedule (non-assessed).
- The summative assessment has two components. The first component is a 1.5 hours in-class test to examine the financial ratio analysis skills of students in relation to a case company. The second component involves the submission of an individual equity analyst's report of no more than 3,000 words to examine a student-selected case company.

Identify final timetabled piece of assessment (component and element)	nent B				
% weighting between components A and B (Standard	A: 30%	B: 70%			
First Sit					
Component A (controlled conditions) Description of each element	Element weighting (as % of component)				
1. In-class test (1.5 hours)	100%				
Component B Description of each element	Element weighting (as % of component)				
1. Individual written report (3000 words)	100%				
Resit (further attendance at taught classes is not requ	uired)				
Component A (controlled conditions) Description of each element	Element weighting (as % of component)				
1. In-class test (1.5 hours)	100%				
Component B Description of each element		Element w (as % of co	reighting mponent)		
1. Individual written report (3000 words)	100%				
Part 4: Learning O	utcomes & KIS Data				
earning Outcomes On successful completion of this module students will be able to: apply the understanding of the 'business model' to a deeper analysis of the intrinsic value of a company. (A and B)					

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evaluate annual reports through financial statement analysis, including ratio analysis, equity valuation techniques, and financial statement modelling. (A and B) interpret presentation and communication techniques used by directors in annual reports, including earnings manipulation techniques. (B) analyse the impact of the macroeconomic and industry environment on investment advice for an individual company. (A and B) evaluate executive strategy and strategic plans to interpret market share valuations (A and B) apply a range of equity valuation techniques such as the dividend discount model, various price and enterprise value multiples models, and free cash flow valuation. (B) critically evaluate the value of financial statement analysis in investment decision making **Key Information** Sets Information (KIS) Key Information Set - Module data Number of credits for this module 15 Hours to Scheduled Independent Placement Allocated be learning and study hours study hours Hours allocated teaching study hours 150 36 114 0 150 Contact Hours The table below indicates as a percentage the total assessment of the module which constitutes a: Written Exam: Unseen or open book written exam Coursework: Written assignment or essay, report, dissertation, portfolio, project or in class Practical Exam: Oral Assessment and/or presentation, practical skills assessment, practical exam (i.e. an exam determining mastery of a technique) Total assessment of the module: Written exam assessment percentage 30% Coursework assessment percentage 70% **Total Assessment** Practical exam assessment percentage 0% 100% Reading List Students will be encouraged to make full use of the print and electronic resources available to them through membership of the University. These include a range of electronic journals and a wide variety of resources available through web sites and information gateways. The University Library's web pages provide access to subject relevant resources and services, and to the library catalogue. Many resources can be accessed remotely. Students will be presented with opportunities within the curriculum to develop their information retrieval and evaluation skills in order to identify such resources effectively. Students will be expected to utilise a range of reading and other materials to undertake further independent research to extend their familiarity and appreciation of the subject and to help them prepare for the in-course assessment on this module. To this end, extensive use will be made of Blackboard, and additionally students will also be encouraged to utilise the study skills web pages.

The reading list of this module can be accessed by using the following link:

https://uwe.rl.talis.com/lists/0347F28B-7E81-A50F-09AC-B7ED9C04E47E.html

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First CAP Approval Date		CAP 26/7/12				
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