



MODULE SPECIFICATION

Part 1: Information			
Module Title	Financial Statement Analysis		
Module Code	UMACLK-15-M	Level	M
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:	Standard		
Pre-requisites	None		
Excluded Combinations	None		
Co- requisites	None		
Module Entry requirements	None		

Part 2: Description
<p>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.</p> <p>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?"</p> <p>The following topics will be covered:</p> <ul style="list-style-type: none"> • 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

- 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 through 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)	<i>Component B</i>	
% weighting between components A and B (Standard modules only)	A:	B:
	30%	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 required)		
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%	
Part 4: Learning Outcomes & KIS Data		
Learning Outcomes	On successful completion of this module students will be able to:	
	<ul style="list-style-type: none"> • apply the understanding of the 'business model' to a deeper analysis of the intrinsic value of a company. (A and B) 	

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			
Revision ASQC Approval Date <i>Update this row each time a change goes to ASQC</i>	31 May 2018	Version	4	link to RIA