



MODULE SPECIFICATION

Part 1: Information			
Module Title	Financial Statement Analysis		
Module Code	UMACLK-15-M	Level	Level 7
For implementation from	2020-21		
UWE Credit Rating	15	ECTS Credit Rating	7.5
Faculty	Faculty of Business & Law	Field	Accounting and Finance
Department	FBL Dept of Accounting Economics & Finance		
Module Type:	Standard		
Pre-requisites	None		
Excluded Combinations	None		
Co-requisites	None		
Module Entry Requirements	None		
PSRB Requirements	None		

Part 2: Description
<p>Educational Aims: 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>Outline Syllabus: Introduction to the fundamental analysis approach to investment</p> <p>Structured financial statement analysis, exploring how to analyse the key financial statements</p> <p>Analysis of the wider information in the annual report, including the narrative sections</p> <p>Financial ratio analysis, focusing upon profitability, investment, liquidity, gearing, and efficiency ratios</p> <p>Structured company analysis, examining how investment analysts construct a formal company report</p> <p>Structured macroeconomic and industry analysis, considering how to understand the environmental impact upon the firm's current and potential future performance and position</p> <p>Equity valuation techniques, including dividend models, multiples models and free cash flow models</p>

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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

Teaching and Learning Methods: 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?"

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 mid-module test conducted online in a 2.5 hour window, 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.

First Sit Components	Final Assessment	Element weighting	Description
Report - Component B	✓	70 %	Individual written report (3000 words)
In-class test - Component A		30 %	In-class test (1.5 hours) to be conducted online within a 2.5 hour window.
Resit Components	Final Assessment	Element weighting	Description
Report - Component B	✓	70 %	Individual written report (3000 words)
In-class test - Component A		30 %	In-class test (1.5 hours) conducted online in a 2.5 hour window

Part 4: Teaching and Learning Methods

Learning Outcomes	On successful completion of this module students will achieve the following learning outcomes:	
	Module Learning Outcomes	Reference
	Apply the understanding of the 'business model' to a deeper analysis of the intrinsic value of a company	MO1

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	Evaluate annual reports through financial statement analysis, including ratio analysis, equity valuation techniques, and financial statement modelling	MO2
	Interpret presentation and communication techniques used by directors in annual reports, including earnings manipulation techniques	MO3
	Analyse the impact of the macroeconomic and industry environment on investment advice for an individual company	MO4
	Evaluate executive strategy and strategic plans to interpret market share valuations	MO5
	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	MO6
	Critically evaluate the value of financial statement analysis in investment decision making	MO7
Contact Hours	Independent Study Hours:	
	Independent study/self-guided study	114
	Total Independent Study Hours:	114
	Scheduled Learning and Teaching Hours:	
	Face-to-face learning	36
	Total Scheduled Learning and Teaching Hours:	36
	Hours to be allocated	150
	Allocated Hours	150
Reading List	<p>The reading list for this module can be accessed via the following link:</p> <p>https://uwe.rl.talis.com/modules/umaclk-15-m.html</p>	

Part 5: Contributes Towards

This module contributes towards the following programmes of study:

Finance [Sep][FT][Frenchay][1yr] MSc 2020-21

Finance [Sep][FT][BAV][1yr] MSc 2020-21

Finance [Sep][PT][Frenchay][3yrs] MSc 2019-20