



Module Specification

Financial Statement Analysis

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Part 1: Information

Module title: Financial Statement Analysis

Module code: UMACLK-15-M

Level: Level 7

For implementation from: 2023-24

UWE credit rating: 15

ECTS credit rating: 7.5

Faculty: Faculty of Business & Law

Department: FBL Dept of Accounting Economics & Finance

Partner institutions: None

Delivery locations: Not in use for Modules

Field: Accounting and Finance

Module type: Module

Pre-requisites: None

Excluded combinations: None

Co-requisites: None

Continuing professional development: No

Professional, statutory or regulatory body requirements: None

Part 2: Description

Overview: The module develops the methods and the skills to analyse the financial statements and wider information used by equity analysts to value companies and give investment advice on quoted companies.

Features: Not applicable

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.

Outline syllabus: Introduction to the fundamental analysis approach to investment and the nature of financial statement information prepared under IFRS

Structured financial statement analysis, exploring how to analyse the key financial statements (income statement, statement of financial position and statement of cash flows)

Analysis of the wider information in the annual report, including the narrative sections

Evaluation of key financial statement items including inventories, non-current assets, and liabilities

Financial analysis techniques including ratio analysis, focusing upon profitability, investment, liquidity, gearing, and efficiency ratios

Structured macroeconomic and industry analysis, considering how to understand the environmental impact upon the firm's current and potential future performance and position

Equity analysts' reports and the role of equity analysts

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

Evaluation of financial reporting quality and detection of financial reporting quality issues

Part 3: Teaching and learning methods

Teaching and learning methods: The module is delivered by means of interactive lectures and tutorial(s). Whilst the lectures introduce students to the theoretical underpinning of the topic with case studies and examples from real company information, follow up exercises and topical discussions will help the students apply the concepts to real world companies and engender in the students the skills and attitude of a professional investment analyst.

Module Learning outcomes: On successful completion of this module students will achieve the following learning outcomes.

MO1 Analyse the financial statements and other information provided by the company to get insights into the key financial decisions and their impact on company performance

MO2 Analyse the impact of the macroeconomic and industry environment on the performance and the value of an individual company

MO3 Critically evaluate the current executive strategy, business model and strategic plans, combined with the analysis of the salient financial and non-financial characteristics of quoted companies

MO4 Apply the key tools of financial statement analysis, including ratio analysis to quoted companies

MO5 Apply a range of equity valuation techniques to value companies to arrive at investment recommendation

MO6 Apply skills developed in the module, synthesise information gathered on quoted companies from various information sources and databases to present the findings in an investment analysts' report

Hours to be allocated: 150

Contact hours:

Independent study/self-guided study = 114 hours

Face-to-face learning = 36 hours

Total = 150

Reading list: The reading list for this module can be accessed at [readinglists.uwe.ac.uk](https://uwe.rl.talis.com/modules/umaclk-15-m.html) via the following link <https://uwe.rl.talis.com/modules/umaclk-15-m.html>

Part 4: Assessment

Assessment strategy: The module will be assessed directly through a case firm-based in-class test and a case firm-based individual report.

Assessment Task (30% of module mark):

1.5 hours mid-module test to examine the financial analysis skills of students in relation to a case company announced to the students prior to the exam.

Assessment Task (70% of module mark):

3,000 word individual equity analyst's report that analyses, values and provides an investment recommendation for a case company. The case company has to be selected by the student and agreed by the module leader at the start of the module.

Assessment components:

In-class test (First Sit)

Description: In-class test (1.5 hours)

Weighting: 30 %

Final assessment: No

Group work: No

Learning outcomes tested: MO1, MO2, MO3, MO4

Report (First Sit)

Description: Individual written report (3000 words)

Weighting: 70 %

Final assessment: Yes

Group work: No

Learning outcomes tested: MO1, MO2, MO3, MO4, MO5, MO6

In-class test (Resit)

Description: In-class test (1.5 hours)

Weighting: 30 %

Final assessment: No

Group work: No

Learning outcomes tested:

Report (Resit)

Description: Individual written report (3000 words)

Weighting: 70 %

Final assessment: Yes

Group work: No

Learning outcomes tested:

Part 5: Contributes towards

This module contributes towards the following programmes of study:

Accounting and Finance [Villa] MSc 2023-24

Finance and Investment [Sep][FT][BAV][1yr] MSc 2023-24

Accounting and Finance [BIBM] MSc 2023-24

Accounting and Finance [Frenchay] MSc 2023-24

Finance and Investment [Frenchay] MSc 2023-24

Finance and Investment [Sep][PT][Frenchay][3yrs] - Withdrawn MSc 2022-23