

## Study Abroad Programme

The module description below is from the 2019/20 academic year and is subject to change, and for the use of study abroad students only.

Module name	Financial Analysis
Module code	BS2203
School	Cass Business School
Department or equivalent	UG Programme
UK credits	15
ECTS	7.5
Level	5
Delivery location (partnership programmes only)	

### MODULE SUMMARY

#### Module outline and aims

Financial accounting forms the basis of the financial world and plays a significant role in every aspect of the financial services industry, from both the managements and the analysts and investors perspective. This also includes corporate finance, asset management and investment banking. The aim of this module is to help you develop a thorough understanding of the use of financial statements in valuing securities in international markets, as well as provide the strengths and limitations of each valuation method. Financial statements of quoted companies are used extensively throughout to illustrate theory and you will learn from real world situations.

The aim of this module is to equip you with the basic knowledge necessary for a financial statement analysis and security valuation. In addition, the module provides all the necessary tools for accountants, financial analysts, corporate managers, consultants and investment bankers to assess the value of businesses and traded securities in global markets based on the information extracted from financial statements.

#### Content outline

- Introduction to Financial Statements and Business Activities.

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- Analysis of Balance Sheet.
- Analysis of Income Statement.
- Analysis of Cash Flow Statement.
- Financial Statement Analysis Techniques and applications.
- Reformulation of reported financial statements.
- Valuation.

### **WHAT WILL I BE EXPECTED TO ACHIEVE?**

**On successful completion of this module, you will be expected to be able to:**

Knowledge and understanding:

- Understand the use of financial statements in valuing securities in international markets.
- Understand how to distinguish and evaluate firms operating and financing activities.
- Understand the concept of time value of money and how this can affect the valuation of securities.
- Develop a critical understanding of the different valuation methods of securities based on financial statements.

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Develop a critical understanding of the different valuation methods of securities based on financial statements.

Skills:

- Critically appreciate the use of financial statements.
- Understand the different uses of varying analytical techniques.
- Use a number of techniques for challenging traded prices in order to assess whether investments are appropriately priced.

Values and attitudes:

- Recognise and appreciate the necessity to perform independent analysis.
- Develop an ethical approach when arriving at investment decisions or recommendations.

### **HOW WILL I LEARN?**

You will be given lecture notes in each class, including necessary reading material and you will be expected to participate in the discussions during the lecture. Also tutorial exercises will be provided each week after the lecture and you are expected to raise any questions regarding these questions during the tutorial sessions.

*Teaching pattern:*

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Teaching component	Teaching type	Contact hours	Self-directed study hours	Placement hours	Total student learning hours
Lectures	Lecture	22	80	0	102
Tutorial	Tutorial	9	39	0	48
Totals		31	119	0	150

### WHAT TYPES OF ASSESSMENT AND FEEDBACK CAN I EXPECT?

#### Assessments

Coursework will comprise an invigilated test which will carry 30% of the final mark. There will also be an unseen written examination which will carry 70% of the final mark.

#### *Assessment pattern:*

Assessment component	Assessment type	Weighting	Minimum qualifying mark	Pass/Fail?
Coursework	Set Exercise	30	0	N/A
Exam – 2.25	Written Exam	70	0	N/A

#### Assessment criteria

Assessment Criteria are descriptions of the skills, knowledge or attributes students need to demonstrate in order to complete an assessment successfully and Grade-Related Criteria are descriptions of the skills, knowledge or attributes students need to demonstrate to achieve a certain grade or mark in an assessment. Assessment Criteria and Grade-Related Criteria for module assessments will be made available to students prior to an assessment taking place. More information will be available from the module leader.

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### Feedback on assessment

Following an assessment, students will be given their marks and feedback in line with the Assessment Regulations and Policy.

Feedback on the performance of the entire class will be provided within three weeks after the assessment. The feedback entails an in-class discussion with questions and answers regarding the attributed marks and the questions. Following the final exam, feedback will be given in a form of general comments on the overall performance of the classroom regarding the strengths and weaknesses displayed in the exam.

### Assessment Regulations

The Pass mark for the module is 40%. Any minimum qualifying marks for specific assessments are listed in the table above. The weighting of the different components can also be found above. The Programme Specification contains information on what happens if you fail an assessment component or the module.

### **INDICATIVE READING LIST**

#### **Core textbook:**

Robinson, T. R., H. Greuning, E. Henry and M. A. Broihahn, International Financial Statement Analysis, CFA Investment Series, Wiley.

Penman, S.H. Financial Statement Analysis and Security Valuation, McGraw Hill, 4th Edition.

#### **Complementary reading:**

Easton, P. D., M. L. McAnally, P. Fairfield, X. J. Zhang and R. F. Halsey, Financial Statement Analysis and Valuation, Cambridge Business Publishers, 2nd Edition.

Palepu, K.G., P.M. Healy and E., Peek, Business Analysis and Valuation IFRS edition, 2nd Edition.



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