

**Course Description**

**Financial Statement Analysis**

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| **Faculty of Business Administration** | | | **Department of Tourism and Hotel Management** | |
| Course | Financial Statement Analysis | | Prerequisite: | Intermediate Accounting |
| Credit Hours:3 | Theoretical:2 | Practical:2 | Course Code: |  |

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| **Description** | |
| This module sets up the main principles used to analyze financial statements to help users to better understand the financial position of a business. In other words, this module tries to answer the following questions:   * How Are Financial Statements Used to Analyze a Business? * How Is the Statement of Cash Flows Prepared Using the Indirect Method?How Do We Use Free Cash Flow to Evaluate Business Performance? * How Do We Use Horizontal Analysis to Analyze a Business? * How Do We Use Vertical Analysis to Analyze a Business**?** * How Do We Use Ratios to Analyze a Business? * How Do We Predict Financial Distress and Financial Failure of a Business?? | |
| **Content** | |
| This module includes the following topics:   |  | | --- | |  | | **Introduction to Financial Statements Analysis** | **1** | | **Preparing Financial Statements to be Analysed** | 2 | | **Horizontal and Trend Analysis** | 3 | | **Vertical and Common Size Analysis** | 4 | | **Statement of Cash Flows** | 5 | | Test one | **6** | | **Risk and Profitability analysis** | 7 | | **Liquidity and Solvency analysis** | 8 | | Activity Ratios and Leverage | 9 | | **Case Studies** | 10 | | **Introduction to Cost Volume Profit Analysis** | **11** | | Test Two | **12** | | Models to Predict Financial Distress | 13 | | **Ratios in Banks** | 14 | | **Case Studies** | 15 | | **Final Test** | **16** | | |
| **References** | |
| * Nobles, Tracie Miller; Mattison, Brenda; Matsumura**, Ella Mae**, “Horngren’s Financial & Managerial Accounting”, Pearson Education, 6th Edition, 2018. * Wahlen, James M; Baginski, Stephen P; Bradshaw, Mark T, “Financial Reporting, Financial Statement Analysis, and Valuation”, Cenegate Learning Centre, 9th Edition, 2018. | |