

 **Course Description**

**Financial Statement Analysis**

|  |  |
| --- | --- |
| **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:  |  |

|  |
| --- |
| **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.
 |