



**GRADUATE PROGRAMS
COURSE SYLLABUS
SUMMER SESSION 2018**

Financial Statement Analysis - Acct. 404-001
Monday's 6:00-9:00pm Schreiber Center - Room 525

Instructor: Professor Jastrzebski
Email: rjastrzebski@luc.edu
Office: TBD
Office Hours: Mondays 4:30-5:30 pm and by appointment
Phone (Cell): 708-703-6537
Textbook: Title: Financial Statement Analysis & Valuation- 5th edition
(with Access Code for MyBusinessCourse Online System)

Authors: Easton, McAnally, Sommers and Zhang
Publisher: Cambridge Business Publishers
ISBN: 978-1-61853-233-6 (Hard Copy)

eBook available from Cambridge Business Publishers
<https://mybusinesscourse.com/purchase-an-ebook>

Course Description:

Financial Statement Analysis is a course in how to use accounting information to make business and investment decisions. Internally, the information is used to assess performance of units, to evaluate performance of upper level management, to monitor the firm's investment and financing decisions and for comparison purposes with the firm's rivals. Externally, accounting information is used by financial analysts, investors and (potential) acquirers to assess the value of the firm, by creditors to assess its credit-worthiness, and by regulators.

The primary objective of this class is to help you develop and sharpen your analytic abilities in financial statement analysis paying particular attention to the incentives of producers and users of this information. In addition to explaining techniques, cases will be used to help you develop the tools and skills required. In preparing cases analysis, you should work in a group and focus not on number crunching but on identification of problems and potential solutions. Only once these have been identified is number crunching valuable.

Topics covered include: Framework for analysis and valuation; overview of business activities and financial statements; profitability and credit risk analysis ; revenue recognition and operating income; asset and liability recognition; forecasting financial statements; cost of capital and valuation basics; cash-flow-based valuation; market-based valuation.

Prerequisites: Quinlan Graduate School of Business student (or permission from Department Chair) and ACCT 400 or equivalent

<u>Grading</u>	<u>Points</u>
Midterm Exam	150
Final Exam	150
Course Project	180
Homework	70
Class Participation/Attendance	<u>50</u>
Total	600

The final course grades will be based on the following grading scale

A: 93% and above	A-: 90.00 – 92.99%
B+: 87.50 – 89.99%	B: 82.50 – 87.49%
B-: 80.00 – 82.49%	C+: 77.50 – 79.99%
C: 72.49 – 77.49%	C-: 70.00 – 72.49%
D+: 67.50 – 69.99%	D: 60.00 – 67.49%
F less than 60%	

Homework

Exercises, problems, and any case assignments are primarily designed to reinforce the subject matter. Each student is required to prepare and turn in his/her own electronically using the myBusinessCourse website (see instructions below for access and registration). Homework is due at the beginning of the next class. The **tentative** schedule of homework (“written assignments”) is indicated on the following pages. **All of these problems are located in the myBusinessCourse online Learning management System.** Informal changes to the schedule may be announced during class.

myBusiness Course Registration Information

Required: You will be required to complete and submit assignments online, using a homework system called myBusinessCourse. Below registration details are also available on separate handout.

COURSE INFORMATION

Course Name	Course ID	Student Link
ACCT404- Financial Statement Analysis	7385-49556	https://mybusinesscourse.com/?code=7385-49556

ACCESS OPTIONS

Option 1	Option 2	Option 3
Enter Access Code Locate the access code inside your new textbook OR if you've purchased an eBook check your email	Purchase eBook (w/Course Access) Access to myBusinessCourse is free with the purchase of an eBook.	Purchase Course Access Only If you do not have an access code from a new textbook or eBook purchase, you can purchase access to your course here.

REGISTRATION WITH STUDENT ENROLLMENT LINK

Use the information above to register for your Instructor-led section:

1. Follow or copy & paste the Student Enrollment Link into your browser
2. Select "Enroll"
3. Create an account, or login with an existing account
4. Choose the appropriate Access Option

STUDENT SUPPORT

Watch a video on REGISTRATION: https://mybusinesscourse.com/user_guide/student
To contact support directly, please visit: <https://mybusinesscourse.com/support>

Quinlan School of Business Policies

Attendance and Participation

You will be expected to contribute to in-class discussions. It is important for you to indicate to me that you have prepared for the lecture. If you are unable to make it to class, I ask that you let me know in advance. If you must miss class, it is your responsibility to check either with myself or one of your fellow classmates to determine whether you missed any announcements, assignments, or handouts.

Make-Up Examinations

Loyola University academic policy provides that tests or examinations may be given during the quarter or summer sessions as often as deemed advisable by the instructor. Because Quinlan faculty believe examinations represent a critical component of student learning, required examinations should be taken during the regularly scheduled class period. **Make-up examinations are discouraged.** Exceptions may be granted only by the faculty member or department chair, and only for unavoidable circumstances (illness verified by a signed physician's note, participation in intercollegiate athletic events, subpoenas, jury duty, military service, bereavement, or religious observance). A make-up final examination may be scheduled only with the permission of the appropriate Quinlan Assistant or Associate Dean.

If a make-up examination must be given, it is the responsibility of the faculty member to prepare, schedule, and proctor the exam. The only regular exception is for a student athlete, who may use the testing services of the Athletics Department to complete a make-up examination. For a student with a documented special testing need, please consult University policy concerning use of the testing center in Sullivan Center at Lake Shore Campus.

Academic Integrity

All members of the Quinlan School shall refrain from academic dishonesty and misconduct in all forms, including plagiarism, cheating, misrepresentation, fabrication, and falsehood...Plagiarism or cheating on the part of the student in individual or group academic work or in examination behavior will result minimally in the instructor assigning the grade of "F" for the assignment or examination. In addition, all instances of academic dishonesty must be reported to the chairperson of the department involved.

For further information about expectations for academic integrity and sanctions for violations, consult the complete Quinlan School of Business Honor Code and Statement of Academic Integrity on the Quinlan website:

<http://luc.edu/media/lucedu/quinlan-graduate/pdfs/Honor-Code-Quinlan-July2012.pdf>

Course Project See Separate Handout for details. Note: This is an individual assignment.
Due July 30th (Final Exam day).

Tentative Course Outline: (subject to change as deemed necessary by the instructor)

Note: All of the following assigned homework problems are required be completed and submitted through the textbooks myBusinessCourse website

<u>Session</u>	<u>Date</u>	<u>Topic</u>	<u>Read Module</u>	<u>Homework</u>
1	5/21	Framework for Analysis & Valuation	1	P1-49
		(Pre-Read Module 1 Prior to 1st Class Meeting)		
		Review of Business Activities & Financial Statements	2	E2-38, E2-40, P2-48
	5/28	NO CLASS – MEMORIAL DAY HOLIDAY		
2	6/4	Profitability Analysis & Interpretation	3	P3-46, P3-51
3	6/11	Credit Risk Analysis & Interpretation	4	E4-26, E4-28
4	6/18	Revenue Recognition & Operating Income	5	None
5	6/25	MIDTERM EXAM		
		(Modules 1, 2, 3, 4 and 5)		
6	7/2	Asset Recognition & Operating Assets	6	P5-54, P6-43
		Off-Balance-Sheet Financing	10	P10-41, P10-45
7	7/9	Off-Balance-Sheet Financing	10	
		(continued)		
		Forecasting Financial Statements	11	E11-23
8	7/16	Cost of Capital and Valuation Basics	12	P12-39, P12-40 P12-41
		Cash-Flow-Based Valuation	13	P13-19
9	7/23	Operating-Income-Based Valuation	14	None
		Market-Based Valuation	15	None
10	7/30	FINAL EXAM		
		(Modules 6, 10, 11, 12, 13 and 14)		
10		COURSE PROJECT DUE		