

COURSE SYLLABUS

Year 2011-2012

1. COURSE DESCRIPTION

Degree:	Finanzas y Contabilidad (English teaching)
Double Degree:	Derecho y Finanzas y Contabilidad (English teaching)
Course:	FINANCIAL STATEMENTS ANALYSIS (Análisis de Estados Financieros - English teaching)
Module:	IV. Accounting
Department:	Business Management
Academic Year:	2011-2012
Term:	Second term
Total Credits:	6
Year:	3rd
Type of Course:	Obligatory
Course Language:	English

Teaching Model:	C1	
a. General/background (BT):		50%
b. Theory-into-practice/developmental knowledge-building (PDT):		50%
c. Guided Academic Activities (GAA):		

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2. TEACHING TEAM INFORMATION

2.1. Responsible Professor: Jesús Damián López Manjón

2.2.1. Teacher

Name:	Fco. Javier Martín Lozano
Faculty:	Business Administration
Department:	Business Management
Academic Area:	Accounting
Category:	Lecturer in Accounting (P.T. Associated Lecturer)
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2.2.2. Other teachers (Responsible)	
Name:	Jesús Damián López Manjón
Faculty:	Business Administration
Department:	Business Management
Academic Area:	Accounting
Category:	Lecturer in Accounting (F.T. Doctor Lecturer)
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Name:	To be hired
Faculty:	Business Administration
Department:	Business Management
Academic Area:	Accounting
Category:	--
Office hours:	
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Tel.:	--

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3. ACADEMIC CONTENT

3.1. Course Description and Objectives

We find this course within the third year of the Degree in Finance and Accounting and that determines the course's objectives and content. The main objective is to offer the student a catalogue of tools which allow him/her to analyse a company's economical and financial situation. Therefore the student becomes not an accounting maker but a user of the accounting information. Being eminently a practical course, theoretical and practical contents are necessary mixed up in the same bottle. In any case, without forgetting the old consolidated and daily used practices in the subject, the new practices in the current vanguard will also be integrated. So, the companies' capacity to generate future incomes will be analysed as well as their ability to generate solvency and liquidity. This way the student will handle the necessary information to make a diagnosis which will help to give advises for improving business decisions.

In addition to that and in a parallel way and along the whole Degree, a common objective in the accounting courses is to make the student be conscious of the good accounting practises and ethical and social responsibility in the professional practise, as well as the relevance that Accounting has in the social and environmental decision-making process.

3.2. Contribution to the Training Plan

This is the third course in the Area of Financial Economy and Accounting which the student deals with along the Degree and therefore has a finalist or ending, since it completes the future graduate's accounting formation process. Its main objective is to determine the most elemental tools to be used when analysing a company's patrimonial, financial and economical situation. The technical analysis, not subjective, of a company's real situation is a consolidated worldwide accepted element on a daily basis in the world of business and any user of an organization who wish to analyse it admits it, no matter its motivations (e.g., wage agreements/settlements, banking risks analysis, Receivable's credit risks analysis, etc...). Therefore the course is an essential and imperative element for the student to complete his/her accounting formation.

In relation to the nature of the course in English, needless to mention the additional advantage or added value for any professional, graduate or student which implies studying the course in English. But focusing on our professional field of Economics, Finance and Accounting, managing English might be considered a command. An executive in a Spanish company, when talking on the phone or writing to another executive in a German company, speaks or writes in English. The most important business press is written in English. In international meetings and conventions English will be spoken. Within a multinational company or group, professionals must speak in English and the Financial and Accounting Reporting must be done in English. There is no doubt that English is the business language. A good amount of Finance and

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Accounting Graduates will finally join multinational companies and work abroad. Therefore undergraduate students, who decide to get their professional qualifications both in their own language and also in English, will expand their professional working horizons. With this course in English, we try to help these students to achieve such objective. It is not sufficient enough to have the general knowledge of the language. It is necessary to know the specific business, financial and accounting expressions and terminology for a graduate or professional to correctly communicate in English. In this regard, in addition to the proper subject contents, an introductory chapter will be given to help the students become familiarized with accounting and financial terminology to better follow the rest of the subject.

3.3. Recommendations or Prerequisites

It is advisable that the Financial Accounting courses within the Degree in Finance and Accounting have already been passed, since they are assumed to be the starting basic knowledge for this course. However, it is convenient to use habitually the recommended bibliography and usual access to Virtual Lecture of the course (WebCT). For those students who decide to study this course in English, it is recommendable to have a level of English close to or over the University of Cambridge First Certificate or similar.

4. SKILLS

4.1. Degree Skills Developed during this Course

In relation to those general skills not merely linked to financial accounting, Along the course , we are focusing mainly on the following skills which should form part of the general student's formation:

Sistemic skills:

- Self learning capacity.
- Creativity.

Personal skills:

- Logic & critical reasoning capacity and critical mind.
- Ethical comintment with the work.
- Teamwork capacity.
- Collaborative learning skills and participatory values

Instrumental skills:

- Analytical and synthetical capacity.
- Oral and written communication ability in English and Spanish.
- Being methodical and rigurous and anlysis minded
- Organization and planning capacity.

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- Making-decision capacity.
- Ability to analyse and look for information from different sources.

4.2. Module Skills Developed during this Course

- Making and interpreting reports on different organizations' liquidity, profitability and solvency from their financial statements in order to make decisions or take measures.

4.3. Course-specific Skills

Skills directly related to the subject object of this course:

- Know the basic content of financial statements comprising the compulsory companies' annual reporting.
- Know the techniques to unify different accounting criteria in order to elaborate and prepare the financial statements for analysis.
- Know the techniques used for assessing the capacity to generate future incomes as well as the capacity to make diagnosis about possible risks situations for making profits or losses and damage of profitability.
- Know techniques used to measure a company's solvency in the long term and diagnose possible risk scenarios.
- Know techniques used to measure a company's capacity to generate liquidity as well as diagnose possible risk situations for liquidity.
- Make reports comprising the above mentioned parts, containing general drawn conclusions on the company's economical and financial situation.

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5. COURSE CONTENT (COURSE TOPICS)

PRELIMINARY CHAPTER:

Introducing English terminology in Financial Accounting and Reporting

CHAPTER 1: Introducing Financial Statement Analysis

Financial Reporting. Obligatory nature. Legal aspects.

Essential elements comprising the Financial Reporting.

The Balance Sheet.

The Income Statement.

Changes in Equity Statement.

Cash Flow Statement.

Accompanying Notes to Financial Statements.

Contextualizing Financial Statement Analysis: Sector, Strategy, Company's policies.

Homogenizing Financial Statements.

Fraud in Financial Statements.

CHAPTER 2: Financial statement Analysis Techniques. Structural, Ratios.

Concept of ratio.

Horizontal Percentages.

Vertical Percentages.

CHAPTER 3: Ratio based Analysis: Profitability, Solvency and Liquidity.

Concept of Profitability.

Profitability Ratios.

Concept of Solvency.

Solvency Ratios.

Concept of Liquidity.

Liquidity Ratios.

Sustainable Growth Ratio .

6. METHODOLOGY AND RESOURCES

METHODOLOGY:

The method of work used by the teaching team is based mainly on theoretical basic teaching lectures and developmental knowledge-building practical guided activities sessions.



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The course will be given in 2 weekly 90 minutes sessions each along 15 weeks which the semester takes. Every week will have one session devoted to theoretical Basic Teachings (BT) which will be taught to all the group (xx students) and another session to Practical Developmental knowledge-building Teachings (PDT) in which the whole group will be broken down into three (or two) subgroups (xx/3-2 students). According to this distribution, BT sessions will be focused mainly on theory lectures in which the general basic theory knowledge of every chapter will be introduced, encouraging the dialogue and participation and discussion with the students, as well as the solution of practical cases on the explained concepts. On the other hand, PDT sessions will be devoted to practical activities planned for every chapter. They must have been previously prepared by the students for the later solving in class either by the Lecturer or by the students themselves.

RESOURCES:

The students must prepare the course using the bibliographic resources available in the University Library and computer resources which the Pablo de Olavide University has.

It is also essential the use of WebCT platform. When presenting the course, The Lecturer will show the students the course's site and all the electronic resources to which the students may access and use. The students will have available through WebCT at any moment the necessary material to follow properly the course (BT and PDT).

As to the materials for the course we must distinguish three types:

- Chapter's Guide, Which will be available before the beginning of every chapter. It is a guide to follow the lectures, in which the basic minimum contents of every chapter will be included. In no case they will be considered as the whole notes or the only manual or material for every chapter. The student must worry about going to the University Library and enlarge the contents on the guide with the referenced books in the bibliography, in addition to the notes taken from the Lecturer's explanation in the Lecture room.
- Set of Cases, which will contain all the cases or activities related to every chapter, some of which must be previously solved by the students and later on be corrected in the Practical Developmental teaching sessions (PDT).
- Self-Assessment Questions/Tests, with corresponding self-correcting solutions so that the student may check his/her level of assimilation of concepts and make the self-learning process easier.

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7. ASSESSMENT

In order to pass the course the student must take two official exams, either of which will be ruled by the same grading criteria, as follows:

- The contents and skills acquired in Basic Teaching sessions (BT) represent 50% of overall grade and will be assessed through a final theoretical-practical examination. This final examination will have a maximum value of 5 points. Nevertheless, it is necessary to obtain a minimum mark of 2.5 points out of the total 5 to pass the course.
- The contents and skills acquired in Practical Developmental Teaching sessions (PDT) count for 50% of the overall grade and will be assessed on a continuing basis assessment through the different developed activities along the course, without being not possible recovering the score in the final examination.

30% Will correspond to small tests realized during the course. The remaining 20% will correspond to the assessment of developed skills, paying special attention to the student's participative in the lectures and continuing work along the course.

The course will be considered as passed with an average mark equal to or over 5 points.

Mobility:

UPO's students benefiting from any of the different official mobility programmes (Sócrates-Erasmus, Séneca, Atlanticus, Mexicalia...) who study the course outside their study habitual centers, may recover, for their final grade, the part corresponding to the continuing assessment through taking additional tests/questions to the final written examination. This situation must be communicated to the course's teaching team before April, 30th 2012. Any break of the deadlines must be acknowledged by the Academic Coordinator of their Mobility Program.

Note: Title II. Chapter II. Article 12.2 and 14.3 of *Normativa de Régimen Académico y de Evaluación del Alumnado* (signed in the Consejo de Gobierno of UPO in 18 July 2006): "When doing essays or other homework, plagiarism and the use of material that is not original, included that obtained in the Internet, without having indicated explicitly the source of that information, and if that is the case, without the permission of the author, such act can lead the student to **fail** the module, in addition to any other academic penalisation brought about by such dishonest behaviour". The Director of the Department responsible of that module, once informed by the staff involved, the students affected and any other academic part required by the Direction of the Department, decide over the possibility of opening up a formal expedient of penalisation."

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8. BIBLIOGRAPHY

8.1. BÁSIC:

Archel, P. et al. (2010): *Estados Contables. Elaboración, análisis e interpretación.* Editorial Pirámide, Madrid.

Palepu, K.G., et al. (2010). *Business Analysis and Valuation.* South-Western College Publishing, Ohio.

Sitckney, C.D., et al., (2007). *Financial Reporting and Statement Analysis: A Strategic Perspective*, 6th edition. Thomson South-Western, Mason.

8.2. COMPLEMENTARY:

Altman, E.I. (1968): "Financial Ratios, discriminant analysis and the prediction of corporate bankruptcy", *Journal of Finance*, pp. 586-609.

Amat, O. (2009): *Análisis de Estados Financieros. Fundamentos y aplicaciones*, Gestión 2000, Barcelona.

Díaz Llanes, M. (2010): *Una nueva visión del Análisis Contable desde la perspectiva de la Empresa*, Miguel Díaz Llanes, Sevilla.

Garrido, P., Íñiguez, R. (2010): *Análisis de Estados Contables. Elaboración e interpretación de la información financiera*, Pirámide, Madrid.

González Pascual, J. (2003): *El concurso de acreedores : una nueva solución para las empresas insolventes : perspectiva contable, financiera y jurídica, de la Ley 22/2003, de 9 de julio, concursal*, Centro de Estudios Financieros, Madrid.

Holmes, G., et al. (2008): *Interpreting Company Reports and Accounts*, 9th edition, Prentice Hall, Harlow.

Needles, B.E., et al. (2004): *Financial and managerial accounting*, Houghton Mifflin International, Boston.

Wild, J.J., et al. (2007): *Financial statement analysis*, McGraw-Hill, Boston.