

FINANCE 533
FINANCIAL STATEMENT ANALYSIS
FALL 2007

Instructor: Dr. Natalya Delcours
Office: 200 D
Office hours: 4 – 6 p.m. Tuesday @ UC, Woodlands; 2 – 5 p.m. MW @ SHSU
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Course Prerequisites: graduate standing

Text: *Financial Statement Analysis* by Wild, Subramanyam, and Halsey, 9th Edition, McGraw-Hill (ISBN 978-0-07-310023-4)

Course Description: A study of theoretical issues and various applications relevant to the analysis of financial statements using finance and accounting principles. Readings and case studies are utilized to provide a contemporary perspective.

Course Objectives:

1. *This course is aimed to sharpen financial, analytical, and communication skills. Classroom assignments present real-life challenges that confront many corporations, financial intermediaries, and small businesses.*
2. *This class is geared to enhance students' understanding of financial statements (particular balance sheet, income statement, and cash flow statement), and how financial and accounting information is used to perform financial/credit analysis. The coursework is meant to assist students in developing managerial decision making skills.*
3. *This class will enhance your oral communication and written skills. The ability to communicate orally and in written form effectively is a key for business success and promotion. Furthermore, employers expect you to be proficient with technology. Your term assignment is tailored to sharpen your writing, analytical, and technology utilization proficiency.*

Grading: There will be a total of two exams. Each of the exams will consist approximately of 50 multiple-choice, true/false, and discussion questions. **Make-up exams will be given only prior to the scheduled exam provided with the legitimate reason for absence in accordance with the SMSU policy (please see below about observance of religious Holy Days).** You are responsible for knowledge of any announcements made at any time during scheduled class periods, regardless of whether or not you are in attendance. **All class assignments MUST be turned in.** There will be 5 points per day penalty for each late assignment. You can turn in your assignments via email, Blackboard, fax, or in class.

To assist you with the class material, there will be several quizzes. There will be no make-ups for missed quizzes. **Please, keep up with the class announcements, assignments, and deadlines via Blackboard.** While a financial calculator is not required for the class, you are encouraged to use one. **A Hewlett Packard 10BII is**

recommended (other calculators are acceptable; however, in all cases you are responsible for learning how to work your calculator).

100% - 90%	=	A	Exam #1	=	30%
89% - 80%	=	B	Exam #2	=	30%
79% - 70%	=	C	Term project	=	30%
under 59%	=	F	Quizzes/Cases/Other	=	10%
			Assignments		

Attendance: All students are expected to attend class regularly and punctually. **Student attendance will be taken each class meeting.** You are allowed three unexcused absences (except test dates) per semester. **Absences totaling eight hours or more will result in a grade of “F” for the course. No late arrivals. Four late arrivals will be treated like one hour’s absence and will be included in determining total number of missed hours. Personal use of cell phones during class is prohibited.** Using computers during class for any purpose other than the assigned task or for taking lecture notes will cost 5 course points for each misuse. Classroom is **your** corporate office. Business-like behavior is required and appreciated. Excused absences are listed in the University Bulletin. **Any and all misconducts will be handled according to the procedures presented in the Bulletin.**

Study: You are **expected** to study from one to two hours outside of class for each hour in class. Reading chapters ahead of the lecture and reviewing your notes immediately after class will greatly enhance your learning of the material. The textbook and class notes are complements. The homework may be collected for grading and it will be impossible to pass the class without a thorough understanding of it. If you have any trouble with any aspects of the course work, I will maintain office hours, which are listed above. To see me outside office hours you must make an appointment. **Drop-in visits are welcomed.** All changes in the course schedule will be announced in advance. Test dates will be announced at least a week in advance.

Technology requirements: Every student enrolled in Finance 533 **MUST** have working SHSU email account and check it **at least three times** a week. I will use SHSU email to communicate with you. Every student **MUST** be proficient in MS Office and the Internet. All written assignments **MUST** be typed in MS Word, single spaced, 12 pts Times New Roman font.

Students will Disabilities: If you have a specific disability that qualifies you for academic accommodations, please notify me (the instructor/professor) and provide certification from Disability Services (Office of Services for Students with Disabilities). **I will be able to accommodate you only after I receive letter from the Office of Services for Students with Disabilities.** The Office of Services for Students with Disabilities is located in the Counseling Center. **All disclosures of disabilities are kept strictly confidential.**

Students Absence on Religious Holy Days: Students are allowed to miss class/other activities for the observance of a Religious Holy Day, including travel for that purpose. Students remain responsible for class announcements and assignments. University policy #861001 outlines the procedure to be followed by the student and instructor. A student desiring to absent himself/herself from a scheduled class in order to observe (a) religious holy day(s) shall present to each instructor a written statement concerning the absence. This request must be made within the first fifteen days of the semester/ the first seven days of a summer session in which the absence(s) will take place. The instructor will complete a form notifying the student of a reasonable timeframe in which the missed assignments and/or tests, quizzes are to be completed.

Term Project:

Your research paper must be no more than 10 pages including Reference page (**I WILL NOT read 11th, 12th, etc pages**), double-spaced, 12 pt Times New Roman font, typed in MW. You may include as many exhibits as you need. Please, refer to Blackboard for tips on your report.

1. Margins should be 1 inch on all sides.
2. The intelligent usage of tables, graphs, etc. is highly encouraged (and almost certainly needed for a good paper). You should number the tables, etc. in the order you reference them.

Your research paper must contain comprehensive analysis of the US publicly traded company of your choice. No two students may write on the same company.

3. **Your company choice must be approved by instructor no later than September 4th, 2007.** Please, refer to your textbook, Comprehensive case: Applying Financial Statement Analysis.
 - a. Your report must cover the following topics:
 - i. Sales analysis by source
 - ii. Comparative financial statements
 - iii. Short-term liquidity
 - iv. Capital structure and solvency
 - v. Return on invested capital
 - vi. Analysis of asset utilization
 - vii. Analysis of operating performance and profitability
 - viii. Financial markets measures
4. **Term paper due date is November 20th, 2007. Late assignment will cost 10% of your paper grade per day.** I do accept assignments turned in before the due date.

Finally, if you need assistance with your writing skills?! The Sam Houston Writing Center provides one-on-one assistance with your written assignments. The Center is opened from 8 a.m. to 7 p.m. M through Thursday, 8 a.m. to 3 p.m. on Friday, and 2 p.m. to 7 p.m. on Sunday. It is located in Wilson 114, phone 936-294-3680, no appointment necessary, first come first serve; however, you can call the Center to schedule your meeting with the Center representative. **Please, grammar matters!!!!**

TENTATIVE SCHEDULE

<u>Subject</u>	<u>Chapter</u>	<u>Homework problems</u>
Overview of Financial Statement Analysis	1	Q: 17, 18, 19 P: 2, 5, 8, 10, 12
Financial Reporting and Analysis	2	P: 11, 12, 13, 16
Analyzing Financial Activities	3	P: 7, 9, 10
Analyzing Investing Activities	4	P: 1, 2, 5, 6, 7, 9
	5	P: 1, 5
Analyzing Operating Activities	6	P: 3, 5, 9

Test 1

Chapters 1 through 6

Cash flow Analysis	7	P: 3, 6, 9
Return on Invested Capital	8	P: 2, 4, 6, 9
Prospective Analysis	9	P: 2
Equity Analysis	11	P: 3
Credit Analysis	10	P: 3, 6, 8, 10, 15

Test 2 = Final

Chapters 7 through 11