

SAM HOUSTON STATE UNIVERSITY  
COLLEGE OF BUSINESS ADMINISTRATION  
Department of General Business and Finance

Course Syllabus

2007 – 2008 Cohort

**COURSE NUMBER:** Finance 533

**COURSE TITLE:** Financial Statement Analysis

**PREREQUISITES:** Graduate standing in business

**INSTRUCTOR:** Dr. Leroy Ashorn

**OFFICE:** SHB 103 D      **OFFICE HOURS:** Daily 8:00 -10:00 a.m.  
Monday – Thursday 1:30 – 3:30  
or by appointment

**REQUIRED TEXTS:**      *Financial Reporting and Analysis: Using Financial Accounting Information.* By: Charles Gibson. Thomson/South-Western. 10<sup>th</sup> Edition.

**SUPPLEMENTAL TEXTS:** *Principles of Accounting* by Lerner and Cashin. Schaum's Outline Series. McGraw-Hill. None

**COURSE DESCRIPTION:** This course provides the bridge between the undergraduate and graduate programs where the graduate student has been out of school for a period of time. Additionally the course serves as an elective for both the MS in Finance program and the MBA/EMBA program.

**COURSE OBJECTIVES:**

Students will have learned to:

1. Demonstrate knowledge of the development of financial statements, GAAP, IAS, and other financial reporting topics.
2. Demonstrate knowledge of the elements of the various required statements and the significance of each to financial and credit analysis.
3. Demonstrate knowledge of the concepts of revenue and expense recognition as well as its significance to the various statements.

4. Demonstrate knowledge of and an ability to apply the basics of financial analysis, including common-size statements, year-to-year change, and comparisons.
5. Demonstrate knowledge of and uses for various levels of income
6. Demonstrate knowledge of and an ability to apply various analytical tools, especially ratios, to short-term and long-term assets and debt-paying ability. Special attention will be given to inventories and long-lived assets.
7. Demonstrate knowledge of the construction, using the direct and indirect methods, and analysis of a statement of cash flows.
8. Demonstrate an awareness of the issues of equity investments and business combinations as they relate to statement analysis.
9. Demonstrate knowledge of and an ability to apply various analytical tools to firm profitability.
11. Demonstrate knowledge of and the significance of financial audits.
12. Demonstrate an ability to apply all of the financial analysis tools to the solution of cases and problems of credit analysis.
13. Demonstrate the ability to apply special financial tools to solving cases and problems.

### **COURSE EVALUATION PROCESS:**

Course averages are determined on the following basis:

48% -- two (2) major examinations (24% each exam)

30% -- comprehensive final exam

22% -- grade on cases and problems

Grades in this course are determined by applying the following scale to a student's average:

>89.5 = A

79.5 - 89.4 = B

69.5 - 79.4 = C

<69.5 = F

**COURSE OUTLINE:**

<u>Date</u>	<u>Topics</u>
08/06	Introduction of course. Chapters 1 and 2.
08/08	Chapters 3 and 4
08/10	Chapter 5. Introduction to <i>Financial Tools</i>
08/13	Chapters 6 and 7.
08/15	Cases 1, 2 and 3 (group presentations) <i>Financial Tools</i> .
08/17	<i>Financial Tools</i> . Exam 1.
08/31	Case part of First Exam due by 5:00 p.m.

Web-Based – 2008

04/23	Chapters 8 and 9. Chapters 6 and 7 Questions, Problems, and Cases.
04/30	Chapters 8 and 9 Questions, Problems, and Cases.
05/06	Chapter 10
05/14	Chapter 10 Questions, Problems, and Cases.
05/21	Chapters 11 and 12.
05/28	Chapters 11 and 12. Questions, Problems, and Cases. Exam 2 posted on Black Board.
06/11	Exam due by 5:00 p.m.
06/18	Chapter 13.
07/02	Chapter 13. Questions, Problems, and Cases.
07/09	<i>Financial Tools</i> case.
07/16	Final posted on Black Board
07/30	Final due be 5:00 p.m.