

**Sam Houston State University
College of Business Administration
Department of General Business and Finance
Spring 2008**

COURSE NUMBER: ACC 432W.01 / FIN 432W.01
COURSE TITLE: Financial Statement and Credit Analysis
INSTRUCTOR: Dr. Kurt Jesswein
OFFICE: SHB 200M
E-MAIL: Kurt.Jesswein@shsu.edu
WEB PAGE: www.shsu.edu/~krj004
PHONE: (936) 294-4582
OFFICE HOURS: Monday-Thursday, 9:30 a.m. – 11:00 a.m., Wednesday, 5:00 p.m. – 6:00 p.m.,
or by appointment.
REQUIRED TEXT: *Financial Reporting and Analysis – Using Financial Accounting Information*, 10th
Ed., Gibson, South-Western, 2007. ISBN 0-324-30445-5.

SUPPLEMENTAL MATERIALS: I periodically supplement course information with announcements placed on Blackboard or through emails. Thus, it is imperative that you periodically check Blackboard for course updates and be certain that the email address listed on the Blackboard system is one that you regularly access or to which you have emails forwarded. **Your first assignment is to enter Blackboard and complete a brief questionnaire, acknowledging your understanding of the requirements for this course. The assignment is worth 0.2 percent of your overall grade in the course which could be the difference in a letter grade so please take care of it early.**

DESCRIPTION OF COURSE: 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: You will be introduced to a variety of principles and methodologies applicable to the analysis of financial statements, learning to apply the appropriate tools in the appropriate setting. As such, these are highly valued skills and competencies demanded from professionals in the marketplace you will soon be joining. Thus, by the end of the semester you will be expected to have reviewed and gained factual knowledge of various accounting principles that affect financial reporting as well as methodologies (common-sized statements, ratio analysis, etc.) used to evaluate financial reports. You will be expected to be able to find and use appropriate resources for conducting financial analysis and then apply that knowledge base in analyzing financial statements, including the use of the CASH/Financial Tools program.

PREREQUISITES: FIN 367

CLASS MEETINGS: SHB 105 Monday-Wednesday 8:00 a.m. – 9:20 a.m. beginning on Wednesday, January 16, 2008 and ending with the final exam on Monday, May 12, 2008 at 8:00 a.m.

INSTRUCTIONAL ACTIVITIES: Class time will be devoted to highlighting important material and demonstrating problem-solving techniques. It is assumed that you have read the assigned material carefully and completed any other assignments **BEFORE** class.

COURSE EVALUATION PROCESS: There will be three exams plus a final exam as well as periodic homework problems and a semester project to be complete. The weighting scheme will be as follows:

Three exams x 15% each	45%	
Homework	20%	
Project	20%	(3/4 written, 1/4 presentation)
Final exam	15%	

The exams will include some multiple choice questions but will consist mainly of short problems and analysis questions as this IS a *writing enhanced* class. Your exams will be graded and returned to you for review, normally the next class period after the exam. The exams will then be taken back up to record the grades. If the exam leaves the classroom, a grade of zero will be assigned. Problems with taking any examination(s) on the scheduled date(s) must be discussed with the instructor before the examination. If an exam is missed, a grade of zero (0) will be assigned for the exam. Under rare and unusual circumstances, a make-up exam may be arranged. This highly unlikely occurrence will be at the totally arbitrary discretion of your professor. If more than one exam is missed, a grade of zero (0) will be retained for the other missed exam(s). You may drop the lowest of your exam scores. If you opt out of the final exam, the average of the first three exams will be used to substitute for the score of the exam. If you take the final exam, that score can be used to replace the lowest score from the earlier exams.

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

90 – 100	A
80 – 89.99	B
70 – 79.99	C
60 – 69.99	D
Below 60	F

Non-quantitative factors such as class participation, improvement on examinations, rank in class, bribery (not really—just wanted to see if you are paying attention), or other extenuating factors may also be considered in the grading process.

ATTENDANCE: Regular class attendance is necessary to do well in this course and attendance will be taken during each class period. A seating chart will be circulated at the beginning of the second class period. Your seat at that time will become your permanent seat. This will help me learn your names more quickly and help you learn your classmates' names.

Steps to making a good grade:

1. Attend class pro-actively.
2. Complete assignments on time.
3. Ask questions as necessary.
4. Allocate enough time in your work schedule to accommodate Steps 1, 2, and 3.

That's it! That's all there is to it! However, some of you will not be able to follow these four simple steps. If you cannot, save your money and drop this course, NOW!

HOMEWORK: There will be a series of homework assignments that will concentrate on some of the more quantitative portions of the course including creating common-sized financial statements and calculating financial ratios. These will be due in-class at the beginning of each class period for which they have been assigned. Although it is probably best if you work on these problems independently, for purposes of grading you may submit assignments on a group basis.

PROJECT: You will be required to analyze the financial statements of a specific corporation and then coordinate a group presentation of your results. Details of the project will be provided separately.

OTHER COMMENTS:

- Students are expected to take off their caps, hats, or other headgear while in class.
- No one will be allowed to leave the classroom during an exam until the exam has been completed and returned to the proctor. Also, no student will be allowed to start an exam after the first person has completed the exam and departed the room.
- I expect you to be respectful and courteous to others. Pagers, cellular telephones, and anything else that rings, beeps, boops, or otherwise disturbs the class and/or your instructor should be

disabled for the duration of the class.

- During class, you may use your computer only for class-related activities. These include activities such as taking notes on the lecture underway or following the lecture on the PowerPoint slides provided on Blackboard. If you use your computer in ways that are deemed disruptive by your classmates or your instructor, you will be asked to turn the computer off.
- Eating and drinking are strictly prohibited in the classroom.
- We will foster a high degree of academic integrity in this course. Any unauthorized copying or exchanging of information, including plagiarism and collusion, will be dealt with appropriately.

AMERICANS WITH DISABILITIES ACT: SHSU adheres to all applicable federal, state, and local laws, regulations, and guidelines with respect to providing reasonable accommodations for students with disabilities. If you have a disability that may affect adversely your work in class, then I encourage you to register with the SHSU Counseling Center and to talk with me about how I can best help you. All disclosures of disabilities will be kept strictly confidential. NOTE: No accommodation can be made until you register with the Counseling Center.

STUDENT ABSENCES ON RELIGIOUS HOLY DAYS POLICY: Section 51.911(b) of the Texas Education Code requires that an institution excuse a student from attending classes or other required activities, including examinations, for the observance of a religious holy day, including travel for that purpose. A student whose absence is excused under this subsection may not be penalized for that absence and shall be allowed to take an examination or complete an assignment from with the student is excused within a reasonable time after the absence. University policy 861001 provides the procedures 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 involved a written statement concerning the religious holy day(s). This request must be made in the first fifteen days of the semester or the first seven days of a summer session in which the absence(s) will occur. The instructor will complete a form notifying the student of a reasonable timeframe in which the missed assignment(s) and/or examination(s) are to be completed.

TENTATIVE COURSE OUTLINE

<u>Date</u>	<u>Coverage</u>
1/16	Introduction of course; Chapter 1, Review of GAAP
1/21	No class (Dr. Martin Luther King, Jr. Day)
1/23	Chapter 2 Overview of financial statements
1/28-1/30	Chapter 3 Review of balance sheet; Research Insight
2/4-2/6	Chapter 4 Review of income statement; CASH
2/11	Chapter 5 Overview of financial statement analysis
2/13	Exam 1 (Chapters 1–5)
2/18-2/25	Chapter 6 Analysis of liquidity
2/27	Chapter 10 Cash flow statement
	Interim project report (CASH statements and Research Insight ratios)
3/3-3/5	Chapter 10 Cash flow statement
3/10-3/12	No class Spring break
3/17-3/24	Chapter 11 Expanded analysis
3/26	Exam 2 (Chapters 6, 10–11)
3/31-4/7	Chapter 7 Analysis of debt-paying ability
4/9-4/14	Chapter 8 Analysis of profitability
4/16-4/21	Chapter 9 Investment analysis
4/23-4/28	Chapters 12/13 Special financial statements
4/30	Exam 3 (Chapters 7-9, 12-13)
5/5-5/7	Group presentations
5/12	Final exam