



# ACCG350

## Financial Statement Analysis

S1 Evening 2018

*Dept of Accounting & Corporate Governance*

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#### **Disclaimer**

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## General Information

Unit convenor and teaching staff

Unit convener

Philip Sinnadurai

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Contact via email

E4A-213

Allocated hours - Wednesdays 11am - 1pm. I am available at other times by appointment.

Credit points

3

Prerequisites

(39cp at 100 level or above) including (ACCG252 or ACCG253 or AFIN250 or AFIN252 or AFIN253)

Corequisites

Co-badged status

Unit description

The unit aims to equip students to undertake financial analysis and the valuation of listed companies. Students are taught the following steps in financial analysis and valuation: (i) evaluating the state of the economy, the industry and a company, (ii) analysing the company's accounting policies, evaluating its financial position using financial ratios and other analytical tools, (iii) forecasting the company's financial statements, and (iv) using a variety of techniques to value the company so that an investment decision can be made. Students will develop graduate capabilities in a range of areas, including: analytical skills in information management and analysis; problem-solving skills in sourcing and identifying relevant information and interpreting output; and communication skills through the presentation of group reports.

## Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

## Learning Outcomes

On successful completion of this unit, you will be able to:

Application of the following fundamentals principles: basic relations in financial accounting, spreadsheet usage, discounting, equity valuation, cost of capital and the

Efficient Market Hypothesis.

Analyse the macroeconomic, industry and firm-specific factors that constitute the context in which financial statements are produced and interpreted. Interpret key ratios and indices, to evaluate a company's profitability, efficiency, leverage and liquidity.

Assess the extent to which the analyst can rely on financial statements, and related firm-initiated disclosures, for the purpose of financial statement analysis and valuation.

Forecast the re-cast versions of the three principal financial statements, for each year up to the forecasting horizon, for listed companies. Students need to argue and substantiate their forecast assumptions and approach to estimating forecast parameters.

Perform equity- and asset-based valuations of a listed company. Most of the valuation approaches involve discounting forecasts of future expected flows. Students need to investigate the sensitivity of their valuations to changes in the key input parameters.

## Assessment Tasks

Name	Weighting	Hurdle	Due
<u>Summaries and tute assignments</u>	10%	No	Ongoing
<u>In-class tests</u>	10%	No	Weeks 4 and 11
<u>Major assignment</u>	20%	No	Weeks 8 / 9 and 13
<u>Final examination</u>	60%	No	Examination period

### Summaries and tute assignments

Due: **Ongoing**

Weighting: **10%**

During the session, you will be set weekly tutorial assignments. **Four** of your weekly tutorial assignments will be collected for the purpose of assessing your ongoing effort in the unit. Advance notice will NOT be given that a particular tutorial assignment is to be collected. You should note that it is only possible for you to submit your tutorial assignment in the tutorial in which you are enrolled and to which the tutorial assignment relates. For each of these **four** tutorial assignments, **2.5** marks will be awarded for a satisfactory attempt. Where the student has made a moderate attempt of the tutorial questions, **1** mark will be awarded. **Zero** marks will be awarded for a non-satisfactory attempt or a non-submission. The tutorial assignments will be marked for effort, rather than correctness.

Students who do not obtain satisfactory grades for a weekly assignment may compensate via submission of a three to four page summary of the textbook chapter(s) and other relevant material, related to the topic. The summaries, like the tutorial assignments, will be marked for effort. Summaries may be submitted at any time during the session, prior to the start of Week 13.

A student will not obtain credit for submitting more than one summary of the same topic. Receipt of four satisfactory grades for tutorial assignments and / or summaries will result in a student receiving full marks for this assessment item.

Extensions Not applicable.

On successful completion you will be able to:

- Application of the following fundamentals principles: basic relations in financial accounting, spreadsheet usage, discounting, equity valuation, cost of capital and the Efficient Market Hypothesis.
- Analyse the macroeconomic, industry and firm-specific factors that constitute the context in which financial statements are produced and interpreted. Interpret key ratios and indices, to evaluate a company's profitability, efficiency, leverage and liquidity.
- Assess the extent to which the analyst can rely on financial statements, and related firm-initiated disclosures, for the purpose of financial statement analysis and valuation.
- Forecast the re-cast versions of the three principal financial statements, for each year up to the forecasting horizon, for listed companies. Students need to argue and substantiate their forecast assumptions and approach to estimating forecast parameters.
- Perform equity- and asset-based valuations of a listed company. Most of the valuation approaches involve discounting forecasts of future expected flows. Students need to investigate the sensitivity of their valuations to changes in the key input parameters.

## In-class tests

Due: **Weeks 4 and 11**

Weighting: **10%**

Nature and Content of the Tests In-class tests will be distributed in tutorial classes in Week 4 and 11 for the purpose of providing you with feedback on your progress in the unit. Each test is worth five percent of the total assessment.

The test in Week 4 will be of 45 minutes' duration. The test will be revisionary, covering the four aforementioned topics from 200-level finance units. Past experience has shown that students tend to neglect revising 200-level finance. They tend to forget that this action should be an integral part of their study program, even though the material is assumed knowledge and hence not the focus of lectures and tutorials.

The second test will be of one-hour's duration. The test will be quantitative, requiring students to forecast financial statements for a hypothetical company, using data and assumptions provided. The purpose of the test is to help students become familiar with basic principles and approaches for forecasting. Prior experience suggest that students do forecasts and valuations poorly.

Questions in both tests are closed book, and answered under examination conditions. You will receive feedback from your tutor in the following weeks. Further details about the tests will be announced in due course on the unit iLearn website.

**Extensions** You must sit for the tests in your assigned tutorial, unless prevented from doing so due to illness or misadventure. Students in this situation must apply for Special Consideration. If your application for Special Consideration is approved, you will be required to sit a supplementary in-class test.

On successful completion you will be able to:

- Application of the following fundamentals principles: basic relations in financial accounting, spreadsheet usage, discounting, equity valuation, cost of capital and the Efficient Market Hypothesis.
- Forecast the re-cast versions of the three principal financial statements, for each year up to the forecasting horizon, for listed companies. Students need to argue and substantiate their forecast assumptions and approach to estimating forecast parameters.

## Major assignment

Due: **Weeks 8 / 9 and 13**

Weighting: **20%**

The major assignment is a sell-side report for a listed Australian company. The assignment is to be completed in syndicate groups of three or four students. The students take the viewpoint of sell-side analysts. The markers of the major assignment take the viewpoint of shareholders educated in accounting and finance but not necessarily intimately familiar with the company subject to analysis. Detailed information will be released on iLearn. There are two components to this assessment task: the presentations and the report.

**Presentations** During the tutorials in Weeks 8 and 9, students will deliver presentations of work-in-progress on their major assignments. The presentations are worth 5% of the total assignment. The presentations will be on the strategic and business analysis, accounting analysis and financial analysis. There are two principal purposes of the presentation. The first purpose is to enable students to obtain feedback, on their work to date, from the tutor and their fellow students. The second purpose is to discipline the students to work of the major assignment. Each presentation should last for 12 – 15 minutes. All members of the group are required to contribute. After each presentation, there will be a short group discussion, to provide the presenters with feedback. It would be a practical impossibility to adequately cover all aspects of the aforementioned topics during the time allocated. Hence, each group should select up to four issues for which they would most like feedback. Their presentation should focus on these issues. Students are welcome to use visual aids.

Four presentations will be scheduled during each tutorial. Inevitably, it will not be possible for all

students to do their presentations in the tutorials. Hence, special out-of-tutorial sessions will be arranged for the additional presentations. Students unable to deliver their presentations during the tutorial must make themselves available to attend one of the out-of-tutorial sessions. The presentations will be marked out of 20. The marking criteria for the presentations are as follows: explanation of the issues for which the group would like feedback (10 marks), presentation and communication skills (4 marks), structure (4 marks) and timing (2 marks). Marking templates will be provided on iLearn.

Extensions Not applicable. No extensions will be granted.

## Reports

Each group is required to submit a report of their sell-side analysis. The report for the major assignment is worth 15% of the total assessment. The final mark will be an equally-weighted average of individual and group marks. The reports are to be submitted, via Turnitin, using the link from the unit's website. The report should canvass all stages of sell-side analysis covered during the semester: strategic and business analysis, accounting analysis, financial analysis, forecasts, valuations and recommendation. The report is to be approximately 20 – 25 double-lined spacing pages in length, excluding references and appendices. Further details will be provided on iLearn.

The reports will be printed and marked out of 100. Hard copies will be returned to students. A written report will be provided for each group, providing detailed feedback on their performance for every section of the sell-side report.

Extensions Extensions will not be granted, without prior consultation with the Unit Convener.

## Penalties

Reports exceeding 25 pages will be penalised.

There will be a deduction of 10% of the total available marks made from the total awarded mark for each 24 hour period or part thereof that the submission is late (for example, 25 hours late in submission – 20% penalty). This penalty does not apply for cases in which an application for special consideration has been made and approved.

On successful completion you will be able to:

- Application of the following fundamentals principles: basic relations in financial accounting, spreadsheet usage, discounting, equity valuation, cost of capital and the Efficient Market Hypothesis.
- Analyse the macroeconomic, industry and firm-specific factors that constitute the context

in which financial statements are produced and interpreted. Interpret key ratios and indices, to evaluate a company's profitability, efficiency, leverage and liquidity.

- Assess the extent to which the analyst can rely on financial statements, and related firm-initiated disclosures, for the purpose of financial statement analysis and valuation.
- Forecast the re-cast versions of the three principal financial statements, for each year up to the forecasting horizon, for listed companies. Students need to argue and substantiate their forecast assumptions and approach to estimating forecast parameters.
- Perform equity- and asset-based valuations of a listed company. Most of the valuation approaches involve discounting forecasts of future expected flows. Students need to investigate the sensitivity of their valuations to changes in the key input parameters.

## Final examination

Due: **Examination period**

Weighting: **60%**

You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available in Draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations.

The Macquarie University examination policy details the principles and conduct of examinations at the University. The policy is available at: <https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policies/final-examination> The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. The University's policy on Special Consideration is available at <https://students.mq.edu.au/study/my-study-program/special-consideration>. If a Supplementary Examination is granted as a result of the Special Consideration process, the examination will be scheduled as per the Supplementary Examination timetable of the Faculty.

Please note that the supplementary examination will be of the similar format as the final examination.

Examination conditions • Closed book • Non-programmable calculators with no text-retrieval capacity are permitted.

- No electronic devices, such as smartphones are permitted.
  - No dictionaries are permitted.
- The duration of the examination will be two-and-a-half hours plus 10 minutes reading time.

On successful completion you will be able to:

- Application of the following fundamentals principles: basic relations in financial



accounting, spreadsheet usage, discounting, equity valuation, cost of capital and the Efficient Market Hypothesis.

- Analyse the macroeconomic, industry and firm-specific factors that constitute the context in which financial statements are produced and interpreted. Interpret key ratios and indices, to evaluate a company's profitability, efficiency, leverage and liquidity.
- Assess the extent to which the analyst can rely on financial statements, and related firm-initiated disclosures, for the purpose of financial statement analysis and valuation.
- Forecast the re-cast versions of the three principal financial statements, for each year up to the forecasting horizon, for listed companies. Students need to argue and substantiate their forecast assumptions and approach to estimating forecast parameters.
- Perform equity- and asset-based valuations of a listed company. Most of the valuation approaches involve discounting forecasts of future expected flows. Students need to investigate the sensitivity of their valuations to changes in the key input parameters.

## Delivery and Resources

Classes There are 3 hours of face-to-face teaching per week consisting of one 1.5 hour lecture and one 1.5 hour tutorial. It is a requirement that students attend and tutorials. It is strongly recommended that they also attend lectures. The unit is demanding. In order to maximise the quality of learning experience, there is no substitute for attending classes. The timetable for classes can be found on the University web site at: <http://www.timetables.mq.edu.au/>

Changes to lecture and tutorial times are managed by the on-line enrolment system. It is not necessary to contact members of staff about tutorial changes. On-line enrolment changes to tutorials will be shut down at the end of Week 3 so all changes must be made by then.

Consultation Times The consultation timetable will be posted on the unit iLearn webpage at the beginning of the session. The unit convener is available at other times by appointment. You are encouraged to seek help at a time that is convenient to you from a staff member teaching on this unit during their regular consultation hours. In special circumstances, an appointment may be made outside regular consultation hours. Staff will not conduct consultations by email or over the phone.

Required Texts Palepu, Healy, Wright, Bradbury and Lee, Business Analysis and Valuation Using Financial Statements – Text and Cases, Second Asia-Pacific Edition, Cengage Learning, 2015.

The prescribed textbook can be purchased from the Macquarie University Co-op Bookshop.

## Unit Schedule

Week schedule of topics and assessment tasks



Week	Starting	Lecture Topic	Reading (from Palepu et al. (2015) unless otherwise advised)	Assessment  Tasks	Tutorial  Questions
1	26 February	Introduction for Business Analysis and Valuation	Chapter 1		No Tutorials in Week 1
2	5 March	Strategic and Business Analysis	Chapter 2		Questions  1.1, 1.2 and  1.5
3	12 March	Accounting  Analysis	Chapters 3 and  4		Questions  2.13, 2.11,  2.10 and 2.8
4	19 March	Financial  Analysis	Chapter 5	In-Class Test  1	Questions  3.6, 4.4, and  additional questions

5	26 March	Financial Analysis [CONT'D]	Chapter 5		Questions  5.1, 5.10,  5.11 and  5.5
6	2 April	Forecasting	Chapter 6		Questions  5.3, 5.6 and 5.4
<div></div>	9 April	Forecasting  [CONT'D]	Chapter 6		Additional Questions, Question  6.6
7					
8	30 April	Valuation Theory and Concepts	Chapter 7	Group presentations	Lennard (2010) and Ronen (2008)
9	7 May	Valuation  Implementation	Chapter 8	Group presentations (Contd.)	

10	14 May	Market-Based  Ratios	Chapter 7		Questions  7.1, 7.8  Additional  Questions
11	21 May	Equity Security  Analysis	Chapter 9	In-Class Test 2	Additional Questions (market- based ratios)
12	28 May	Mergers and  Acquisitions	Chapter 11		Questions  9.1, 9.6 and 9.9

				Tutorial summaries due by Monday 4 June, 5pm	
13	4 June	Revision		Major assignment reports due by Tuesday 5 June, 5pm.	Questions
					11.5, 11.7, and
					11.9

Journal readings, set for Weeks 8 and 9

Lennard, A., 2010, "The Case for Entry Values: A Defence of Replacement Costs", *Abacus* 46 (1), 97-103.

Ronen, J., 2008, "To Fair Value or not to Fair Value: A Broader Perspective", *Abacus* 44 (2), 181-208.

## Learning and Teaching Activities

### Lectures

Each weekly lecture and the accompanying lecture notes provide a broad outline of the unit material for that week. The lecture notes are a guide to assist self-directed learning from other materials.

### Tutorials

Students are required to attempt the tutorial assignment in advance of each week's tutorial. The tutorials are forums for small-group learning, in which material and concepts from the lectures, textbook and readings are discussed. Tutorial exercises are not simulated exam questions. Rather, their principal purposes are as follows. Firstly, the tutorial questions are designed to prompt deeper understanding of the material. The second purpose is to give students ideas and suggestions for their major assignment.

### Major assignment

The group assignment for this unit requires students to also apply theories and techniques to a

current Australian company, in groups of three or four. Students will form groups within the first four weeks of the semester, and will work on the group assignment throughout the semester in those groups, facilitating their learning in a practical way. A unique feature of the unit is that much of the delivery (from the lectures, textbook, case studies and tutorials) is directed at the major assignment, in addition to the final examination. It would be impossible to effectively teach a unit on Financial Statement Analysis without a group assignment of this nature. Students are expected to remain abreast of the financial news and developments in the Australian corporate sector.

## Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central>). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- [Academic Appeals Policy](#)
- [Academic Integrity Policy](#)
- [Academic Progression Policy](#)
- [Assessment Policy](#)
- [Fitness to Practice Procedure](#)
- [Grade Appeal Policy](#)
- [Complaint Management Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#) (**Note:** *The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.*)

Undergraduate students seeking more policy resources can visit the [Student Policy Gateway](https://students.mq.edu.au/support/study/student-policy-gateway) (<https://students.mq.edu.au/support/study/student-policy-gateway>). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit [Policy Central](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central>).

## Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: <https://students.mq.edu.au/study/getting-started/student-conduct>

## Results

Results shown in *iLearn*, or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in [eStudent](#). For more information visit [ask.mq.edu.au](https://ask.mq.edu.au).

## Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

## Learning Skills

Learning Skills ([mq.edu.au/learningskills](http://mq.edu.au/learningskills)) provides academic writing resources and study strategies to improve your marks and take control of your study.

- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

## Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

## Student Enquiries

For all student enquiries, visit Student Connect at [ask.mq.edu.au](http://ask.mq.edu.au)

## IT Help

For help with University computer systems and technology, visit [http://www.mq.edu.au/about\\_us/offices\\_and\\_units/information\\_technology/help/](http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/).

When using the University's IT, you must adhere to the [Acceptable Use of IT Resources Policy](#). The policy applies to all who connect to the MQ network including students.

## Graduate Capabilities

### Discipline Specific Knowledge and Skills

Our graduates will take with them the intellectual development, depth and breadth of knowledge, scholarly understanding, and specific subject content in their chosen fields to make them competent and confident in their subject or profession. They will be able to demonstrate, where relevant, professional technical competence and meet professional standards. They will be able to articulate the structure of knowledge of their discipline, be able to adapt discipline-specific knowledge to novel situations, and be able to contribute from their discipline to inter-disciplinary solutions to problems.

This graduate capability is supported by:

### Learning outcomes

- Application of the following fundamentals principles: basic relations in financial accounting, spreadsheet usage, discounting, equity valuation, cost of capital and the

Efficient Market Hypothesis.

- Analyse the macroeconomic, industry and firm-specific factors that constitute the context in which financial statements are produced and interpreted. Interpret key ratios and indices, to evaluate a company's profitability, efficiency, leverage and liquidity.
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## Critical, Analytical and Integrative Thinking

We want our graduates to be capable of reasoning, questioning and analysing, and to integrate and synthesise learning and knowledge from a range of sources and environments; to be able to critique constraints, assumptions and limitations; to be able to think independently and systemically in relation to scholarly activity, in the workplace, and in the world. We want them to have a level of scientific and information technology literacy.

This graduate capability is supported by:

### Learning outcomes

- Application of the following fundamentals principles: basic relations in financial accounting, spreadsheet usage, discounting, equity valuation, cost of capital and the Efficient Market Hypothesis.
- Analyse the macroeconomic, industry and firm-specific factors that constitute the context in which financial statements are produced and interpreted. Interpret key ratios and indices, to evaluate a company's profitability, efficiency, leverage and liquidity.
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## Problem Solving and Research Capability

Our graduates should be capable of researching; of analysing, and interpreting and assessing data and information in various forms; of drawing connections across fields of knowledge; and they should be able to relate their knowledge to complex situations at work or in the world, in order to diagnose and solve problems. We want them to have the confidence to take the initiative in doing so, within an awareness of their own limitations.

This graduate capability is supported by:

### Learning outcomes

- Application of the following fundamentals principles: basic relations in financial accounting, spreadsheet usage, discounting, equity valuation, cost of capital and the Efficient Market Hypothesis.
- Analyse the macroeconomic, industry and firm-specific factors that constitute the context in which financial statements are produced and interpreted. Interpret key ratios and indices, to evaluate a company's profitability, efficiency, leverage and liquidity.
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- Perform equity- and asset-based valuations of a listed company. Most of the valuation approaches involve discounting forecasts of future expected flows. Students need to investigate the sensitivity of their valuations to changes in the key input parameters.

## Effective Communication

We want to develop in our students the ability to communicate and convey their views in forms effective with different audiences. We want our graduates to take with them the capability to read, listen, question, gather and evaluate information resources in a variety of formats, assess, write clearly, speak effectively, and to use visual communication and communication technologies as appropriate.

This graduate capability is supported by:

### Learning outcomes

- Analyse the macroeconomic, industry and firm-specific factors that constitute the context in which financial statements are produced and interpreted. Interpret key ratios and indices, to evaluate a company's profitability, efficiency, leverage and liquidity.
- Assess the extent to which the analyst can rely on financial statements, and related firm-initiated disclosures, for the purpose of financial statement analysis and valuation.
- Forecast the re-cast versions of the three principal financial statements, for each year up to the forecasting horizon, for listed companies. Students need to argue and substantiate

their forecast assumptions and approach to estimating forecast parameters.

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## Changes from Previous Offering

The differences between the current and most immediately previous offering relate to the unit assessment, rather than content.

There are some minor differences regarding within-semester assessment. In the previous offering, eight percent was allocated to tutorial work. In the current offering, 10% relates to tutorial work. The entire 10% will be awarded for tutorial submissions. In the current offering, unlike the previous offering, students may submit summaries of the reading, in lieu of the tutorial assignments. The in-class tests also differ between the two offerings. In the current offering, there are two in-class tests, each worth five percent. In the previous offering there was one in-class test, worth 10%.

There have been some changes regarding the major assignment. In the immediately previous offering, the major assignment report was completed in two components: a group component, containing the retrospective analysis and an individual component, containing the prospective analysis. These components of the major assignment report had weightings of 12 and 15 percent respectively. In the current offering, the report is completed as a group task, with weighting of 15%. Each student's mark for the report will be an equally-weighted average of group and individual assessment marks.

There have been some changes to the final examination. In the most immediately previous offering, the final examination was of 2.5 hours' duration and accounted for 50% of the total assessment. In the current offering, the final examination is of three hours' duration and accounts for 60% of the overall assessment.

## Advice on how to study

In order to achieve the learning outcomes and pass the unit, students are advised to study as follows. The total time commitment for the unit is approximately 150 hours. Students should allocate six to nine hours to self-study per week (i.e., excluding time spent in lectures and tutorials). They are encouraged to divide this time into three roughly equal blocks:

1. Active revision from 200-level finance units, particularly the aforementioned topics. Students should obtain and re-work examples from their 200-level textbooks. Each student should be his / her own judge as to how many examples to work through, before an adequate grasp of content is attained. In preparing for the topic of forecasting financial statements, students are similarly advised to actively revise 100-level financial accounting.

2. Re-working materials provided in lectures Throughout the semester, students will be provided with spreadsheet and Word documents, illustrating the steps of the sell-side analysis for the company that will be analysed as an ongoing lecture example. Students should save the original versions of these documents, and then use the "Save As" function to save another copy. They should re-work the analyses conducted in lectures, making notes of steps that they would have performed differently. They should then conduct a trial analysis of the same steps, for their major assignment companies.

3. Preparation for the tutorial This block should be sub-divided into two components, to be completed prior to the tutorial: Actively read the prescribed textbook chapter(s). In order to adequately read the materials, students are advised to produce their own three- to four-page summary of the reading for each week. For the second components, students should attempt the tutorial exercises, using the theory developed, as summarised in the previous step.