



# AFIN6013

## Financial Statement Analysis and Modelling

Session 1, Weekday attendance, North Ryde 2020

*Department of Applied Finance*

### Contents

<u>General Information</u>	2
<u>Learning Outcomes</u>	2
<u>General Assessment Information</u>	3
<u>Assessment Tasks</u>	3
<u>Delivery and Resources</u>	4
<u>Unit Schedule</u>	5
<u>Policies and Procedures</u>	6
<u>Changes since First Published</u>	8

#### **Disclaimer**

Macquarie University has taken all reasonable measures to ensure the information in this publication is accurate and up-to-date. However, the information may change or become out-dated as a result of change in University policies, procedures or rules. The University reserves the right to make changes to any information in this publication without notice. Users of this publication are advised to check the website version of this publication [or the relevant faculty or department] before acting on any information in this publication.



## General Information

Unit convenor and teaching staff

Unit Convenor

Lydia Liu

[lydia.liu@mq.edu.au](mailto:lydia.liu@mq.edu.au)

Angela Chow

[angela.chow@mq.edu.au](mailto:angela.chow@mq.edu.au)

Credit points

10

Prerequisites

Admission to GradCertFin or GradDipAppFin or MAppFin or MAppFin(Adv) or MBkgFin

Corequisites

Co-badged status

Unit description

This unit equips students with financial analysis skills to support advanced study in corporate finance and investment analysis. Emphasis is placed on being able to interpret financial statements in the context of a company's operational performance and strategy, to assess historical financial performance and to prepare a spreadsheet based financial model capable of forecasting integrated financial statements for a company.

## 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:

**ULO2:** Critically assess a company's historical financial performance using financial ratios and other analysis tools.

**ULO1:** Explain the main components of and the linkages between the three major financial statements.

**ULO3:** Apply financial analysis skills to develop financial projections for a project or business.

**ULO4:** Construct spreadsheet based integrated financial models.



**ULO5:** Demonstrate proficiency in using spreadsheet based financial modelling to solve a range of finance based problems

## Assessment Tasks

### Coronavirus (COVID-19) Update

Assessment details are no longer provided here as a result of changes due to the Coronavirus (COVID-19) pandemic.

Students should consult [iLearn](#) for revised unit information.

[Find out more about the Coronavirus \(COVID-19\) and potential impacts on staff and students](#)

## General Assessment Information

Assessment criteria for all assessment tasks will be provided on the unit iLearn site.

It is the responsibility of students to view their marks for each within session assessment on iLearn within 20 working days of posting. If there are any discrepancies, students must contact the unit convenor immediately. Failure to do so will mean that queries received after the release of final results regarding assessment marks (not including the final exam mark) will not be addressed.

Where a Special Consideration application is approved, the student may be offered an alternative assessment or may receive a mark based on the percentage mark achieved by the student in one or more other assessment tasks, at the Unit Convenor's discretion.

### Late submission:

- Quizzes and short questions exercises: No extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of 0 for the task, except for cases in which an application for special consideration is made and approved.
- Assignment: No extensions will be granted. 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 is made and approved. No submission will be accepted after solutions have been posted.

### Final Examination:

- Closed book.
- You are permitted ONE A4 page of paper containing reference material printed on both sides. The material may be handwritten or typed. The page will not be returned to you at



the end of the final examination.

## Delivery and Resources

### Coronavirus (COVID-19) Update

Any references to on-campus delivery below may no longer be relevant due to COVID-19.

Please check here for updated delivery information: [https://ask.mq.edu.au/account/pub/display/unit\\_status](https://ask.mq.edu.au/account/pub/display/unit_status)

### Required Text:

Financial Statements Demystified by Kramer and Johnson 209 McGraw-Hill.

This textbook is available as either a print book or eBook. Details of the two versions are shown below:

- Print book: Financial Statements Demystified, ISBN 9780071543873, available at <http://www.mhprofessional.com/product.php?isbn=0071543880>
- eBook: Financial Statements Demystified, ISBN: 9781308469089, available at <https://create.mheducation.com/shop/#/catalog/details/?isbn=9781308469089>

### Unit Web Page:

This unit will make use of the University's iLearn system.

Unit's iLearn Site:

- Found by logging on to iLearn [ilearn.mq.edu.au](http://ilearn.mq.edu.au), then clicking on Financial Statement Analysis and Modelling.
- This is where you will find forums, downloadable resources and links to important pages.
- The forum allows you to communicate with other students and lecturer(s) and may provide supplementary material.
- You are requested to post your questions on the forums at least 24 hours prior to the assignment submission date or the examination date. Questions posted after that time may not be answered. Please try to not leave your questions to the last few days.

Important Notice:

- It is important that you familiarise yourself with the Unit's iLearn site.
- All students should check iLearn regularly and look for updates and distribution of materials related to the unit or assessments and participate in forum discussions.

### Technology Used and Required:



Assumed access to technology: Access to a computer with word processing and spreadsheet capability is assumed, as is general student computer literacy. A recent version of Excel is the preferred choice spreadsheet.

### **Delivery Format and Other Details:**

See timetable for classes on the University web site at: <https://timetables.mq.edu.au/2019/>

### **Recommended Readings:**

- Additional readings are included in iLearn
- Students should assume these readings are examinable unless otherwise advised.

### **Assumed Knowledge:**

Mathematical content

- Finance has a high level of numerate content. Consequently this unit is, in parts, mathematical and arithmetical. As an indication of the level of algebra required, students should find the following problem easy to solve:

$$\text{Solve for } Z_5: \quad \$1,000 = \$681.20(1+Z_5/2)^{10}$$

### **Assumed Access:**

Access to a computer with word processing and spreadsheet capability is assumed, as is general student computer literacy. A recent version of Excel is the preferred choice spreadsheet.

## **Unit Schedule**

### **Coronavirus (COVID-19) Update**

The unit schedule/topics and any references to on-campus delivery below may no longer be relevant due to COVID-19. Please consult [iLearn](#) for latest details, and check here for updated delivery information: [https://ask.mq.edu.au/account/pub/display/unit\\_status](https://ask.mq.edu.au/account/pub/display/unit_status)

Week	Starting	Topic
1	24/02/2020	Topic 1: Introduction to financial statement analysis
2	02/03/2020	Topic 2: Introduction to modelling
3	09/03/2020	Topic 3: Preparing financial statements
4	16/03/2020	Topic 4: A closer look at the balance sheet
5	23/03/2020	Topic 5: Preparing a financial model Part 1



Week	Starting	Topic
6	30/03/2020	Topic 6: Preparing a financial model Part 2
7	06/04/2020	Topic 7: Review (No Lecture)
8	27/04/2020	Topic 8: Revisit the Plan and the Plug
9	04/05/2020	Topic 9: Analysis of financial statements Part 1
10	11/05/2020	Topic 10: Analysis of financial statements Part 2
11	18/05/2020	Topic 11: Case Study and Advanced Excel Tools
12	25/05/2020	Topic 12: Fraud
13	01/06/2020	Topic 13: Final Exam Revision

## 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.*)

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 published on platform other than [eStudent](#), (eg. iLearn, Coursera etc.) 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](http://ask.mq.edu.au) or if you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@mq.edu.au)

## Supplementary exams

Information regarding supplementary exams, including dates, is available at: [http://www.businessandconomics.mq.edu.au/current\\_students/undergraduate/how\\_do\\_i/disruption\\_to\\_studies](http://www.businessandconomics.mq.edu.au/current_students/undergraduate/how_do_i/disruption_to_studies)

## 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 help you improve your marks and take control of your study.

- [Getting help with your assignment](#)
- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module](#)

The Library provides online and face to face support to help you find and use relevant information resources.

- [Subject and Research Guides](#)
- [Ask a Librarian](#)

## 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)

If you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@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.

## Changes since First Published

Date	Description
08/02/2020	Changes to unit schedule