



# ACCG3050

## Financial Statement Analysis

Session 1, In person-scheduled-weekday, North Ryde 2022

*Department of Accounting and Corporate Governance*

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## General Information

Unit convenor and teaching staff

Unit Convenor

Jengfang Chen

[accg3050@mq.edu.au](mailto:accg3050@mq.edu.au)

Credit points

10

Prerequisites

130cp at 1000 level or above including AFIN250 or AFIN2050 or AFIN252 or AFIN253 or AFIN2053

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:

**ULO1:** Undertake group work to perform a financial analysis and business valuation using a structured approach.

**ULO2:** Interpret annual reports and other related public disclosures and evaluate a listed company's strategic decisions, accounting policies, financial position and growth

potential.

**ULO3:** Explain linkages between economic environment, industry, strategy and the company valuation.

**ULO4:** Examine how financial statements are used in the valuation process.

**ULO5:** Compare different valuation models and investigate the sensitivity of the valuation to changes in the key input parameters.

## General Assessment Information

### Late submission

Unless a Special Consideration request has been submitted and approved, no extensions will be granted. There will be a deduction of 10% of the total available assessment-task marks made from the total awarded mark for each 24-hour period or part thereof that the submission is late. Late submissions will only be accepted up to 96 hours after the due date and time. No late submissions will be accepted for timed assessments – e.g., quizzes, online tests

### Assessment Tasks

Name	Weighting	Hurdle	Due
<u>Assessed Coursework</u>	10%	No	Before the start of tutorial class
<u>Assignment</u>	30%	No	Week 8 & Week 12
<u>Online Final Examination</u>	60%	No	University Examination Period

### Assessed Coursework

Assessment Type <sup>1</sup>: Participatory task

Indicative Time on Task <sup>2</sup>: 20 hours

Due: **Before the start of tutorial class**

Weighting: **10%**

Students must submit homework to the Turnitin available on iLearn before the start of tutorial class at which the student is enrolled. Tutor will randomly select six weeks to mark homework. The best five marks will be recorded. Each homework will be awarded a mark out of 2. To receive 2 marks, student must have made a genuine attempt to homework questions. Where student has made a moderate attempt, 1 mark will be awarded. A mark of 0 will be awarded for a non-satisfactory attempt or a non-submission.

On successful completion you will be able to:

- Interpret annual reports and other related public disclosures and evaluate a listed company's strategic decisions, accounting policies, financial position and growth

potential.

- Explain linkages between economic environment, industry, strategy and the company valuation.
- Examine how financial statements are used in the valuation process.
- Compare different valuation models and investigate the sensitivity of the valuation to changes in the key input parameters.

## Assignment

Assessment Type <sup>1</sup>: Case study/analysis

Indicative Time on Task <sup>2</sup>: 25 hours

Due: **Week 8 & Week 12**

Weighting: **30%**

This Assignment comprises of a group report and an individual report. Student will be advised of the content, format and assessment criteria.

On successful completion you will be able to:

- Undertake group work to perform a financial analysis and business valuation using a structured approach.
- Interpret annual reports and other related public disclosures and evaluate a listed company's strategic decisions, accounting policies, financial position and growth potential.
- Explain linkages between economic environment, industry, strategy and the company valuation.
- Examine how financial statements are used in the valuation process.
- Compare different valuation models and investigate the sensitivity of the valuation to changes in the key input parameters.

## Online Final Examination

Assessment Type <sup>1</sup>: Examination

Indicative Time on Task <sup>2</sup>: 45 hours

Due: **University Examination Period**

Weighting: **60%**

A two hour open book online exam will be held during the University Examination Period. The final exam is designed to allow you to demonstrate knowledge and skills attained in the previous assessments.

On successful completion you will be able to:

- Interpret annual reports and other related public disclosures and evaluate a listed

company's strategic decisions, accounting policies, financial position and growth potential.

- Explain linkages between economic environment, industry, strategy and the company valuation.
- Examine how financial statements are used in the valuation process.
- Compare different valuation models and investigate the sensitivity of the valuation to changes in the key input parameters.

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<sup>1</sup> If you need help with your assignment, please contact:

- the academic teaching staff in your unit for guidance in understanding or completing this type of assessment
- the [Writing Centre](#) for academic skills support.

<sup>2</sup> Indicative time-on-task is an estimate of the time required for completion of the assessment task and is subject to individual variation

## Delivery and Resources

### Classes

There are 3 hours of teaching per week consisting of one 1.5-hour online lecture and one 1.5-hour face-to-face/online tutorial.

The timetable for classes can be found on the University web site at:  
<http://www.timetables.mq.edu.au/>

Changes to tutorial times are managed by e-student. It is not necessary to contact members of staff about tutorial changes. On-line enrolment changes to tutorials will be closed at the end of Week 2 so all changes must be made by then.

### Required Texts

Palepu, Healy, Wright, Bradbury and Coulton, Business Analysis & Valuation: Using Financial Statements, 3rd Asia Pacific Edition, Cengage Learning, 2020.

### Consultation Times

The consultation timetable will be made available on iLearn at the beginning of the session. Consultation will start from Week 3. 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. Students experiencing significant difficulties with any topic in the unit must seek assistance immediately.

## Unit Web Page

Course material is available on the learning management system (iLearn). The web page for this unit can be found at: <https://ilearn.mq.edu.au/> from where you need to login to iLearn.

## Unit Schedule

Week	Monday	Lecture Topic	Readings (from Palepu et al. (2020))	Assessment Tasks Due
1	21 Feb	A framework for business analysis and valuation	Chapter 1	
2	28 Feb	Strategy Analysis	Chapter 2	Week 2 Homework (HW)
3	7 Mar	Accounting Analysis	Chapter 3 and 4	Week 3 HW
4	14 Mar	Financial Analysis	Chapter 5	Week 4 HW
5	21 Mar	Financial Analysis (Contd.)	Chapter 5	Week 5 HW
6	28 Mar	Credit Analysis	Chapter 10	Week 6 HW
7	4 Apr	Forecasting Income Statement	Chapter 6 and 8	Week 7 HW
		<b>Mid-Session Break</b>		
8	25 Apr	Forecasting Balance Sheet Review of Cost of Capital	Chapter 6 and 8	Week 8 HW <b>Group Report (25 Apr)</b>
9	2 May	Equity Valuation	Chapter 7 and 8	Week 9 HW
10	9 May	Equity Valuation (Contd.)	Chapter 7 and 8	Week 10 HW
11	16 May	Price Multiples and Market Efficiency	Chapter 7 and 9	Week 11 HW
12	23 May	Self-study for individual report		<b>Individual Report (27 May)</b>
13	30 May	Revision		

Note: This unit schedule is subject to change at the discretion of Unit Convenor.

## Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central \(https://policie](https://policie)

[s.mq.edu.au](https://www.mq.edu.au)). 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](#)
- [Assessment Procedure](#)
- [Complaints Resolution Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#)

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

To find other policies relating to Teaching and Learning, visit [Policy Central \(https://policies.mq.edu.au\)](https://policies.mq.edu.au) and use the [search tool](#).

## Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: <https://students.mq.edu.au/admin/other-resources/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](https://ask.mq.edu.au) or if you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@mq.edu.au)

## Academic Integrity

At Macquarie, we believe [academic integrity](#) – honesty, respect, trust, responsibility, fairness and courage – is at the core of learning, teaching and research. We recognise that meeting the expectations required to complete your assessments can be challenging. So, we offer you a range of resources and services to help you reach your potential, including free [online writing and maths support](#), [academic skills development](#) and [wellbeing consultations](#).

## Student Support

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

## The Writing Centre

[The Writing Centre](#) provides resources to develop your English language proficiency, academic writing, and communication skills.

- [Workshops](#)
- [Chat with a WriteWISE peer writing leader](#)
- [Access StudyWISE](#)
- [Upload an assignment to Studiosity](#)
- [Complete the 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

Macquarie University offers a range of [Student Support Services](#) including:

- [IT Support](#)
- [Accessibility and disability support](#) with study
- Mental health [support](#)
- [Safety support](#) to respond to bullying, harassment, sexual harassment and sexual assault
- [Social support including information about finances, tenancy and legal issues](#)

## Student Enquiries

Got a question? Ask us via [AskMQ](#), or contact [Service Connect](#).

## 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.