AFCX6019
Financial Statement Analysis and Modelling
Term 2, Online-flexible 2022
Department of Applied Finance

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https://unitguides.mq.edu.au/unit_offerings/153483/unit_guide/print
## General Information

<table>
<thead>
<tr>
<th>Unit convenor and teaching staff</th>
<th>Katarina Djukic</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><a href="mailto:katarina.djukic@mq.edu.au">katarina.djukic@mq.edu.au</a></td>
</tr>
<tr>
<td>Contact via Email</td>
<td></td>
</tr>
<tr>
<td>James Hay</td>
<td><a href="mailto:james.hay@mq.edu.au">james.hay@mq.edu.au</a></td>
</tr>
<tr>
<td>Contact via Email</td>
<td></td>
</tr>
</tbody>
</table>

| Credit points | 10 |

| Prerequisites | Admission to GradCertFin (OUA) |

| Corequisites |

| Co-badged status |

<table>
<thead>
<tr>
<th>Unit description</th>
</tr>
</thead>
<tbody>
<tr>
<td>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. After this unit, students should understand the language of financial statements, and be able to use an Annual Report to develop an understanding of a company’s historical performance and prospects. Specific topics include the Income Statement, Balance Sheet, Cash Flow Statement and financial statement analysis using Dupont methodology. Financial modelling applications will also be developed, so students will be able to prepare forecasts for the three financial statements, as well as being able to integrate the three statements.</td>
</tr>
</tbody>
</table>

## 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](https://www.mq.edu.au/study/calendar-of-dates)

## Learning Outcomes

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

**ULO1:** Prepare and explain the interrelationships between the three major financial
statements.

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

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

**ULO4:** Construct and demonstrate proficiency in using spreadsheet based integrated financial models to solve a range of finance based problems.

### General Assessment Information

#### Late submissions of assessments

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.

#### Table 1: Penalty calculation based on submission time

<table>
<thead>
<tr>
<th>Submission time after the due date (including weekends)</th>
<th>Penalty (% of available assessment task mark)</th>
<th>Example: for a non-timed assessment task marked out of 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 24 hours</td>
<td>10%</td>
<td>10% x 30 marks = 3-mark deduction</td>
</tr>
<tr>
<td>24-48 hours</td>
<td>20%</td>
<td>20% x 30 marks = 6-mark deduction</td>
</tr>
<tr>
<td>48-72 hours</td>
<td>30%</td>
<td>30% x 30 marks = 9-mark deduction</td>
</tr>
<tr>
<td>72-96 hours</td>
<td>40%</td>
<td>40% x 30 marks = 12-mark deduction</td>
</tr>
<tr>
<td>&gt; 96 hours</td>
<td>100%</td>
<td>Assignment won’t be accepted</td>
</tr>
</tbody>
</table>

#### Special Consideration

To request an extension on the due date/time for a timed or non-timed assessment task, you must submit a Special Consideration application. An application for Special Consideration does not guarantee approval.

The approved extension date for a student becomes the new due date for that student. The late submission penalties above then apply as of the new due date.
Assessment Tasks

<table>
<thead>
<tr>
<th>Name</th>
<th>Weighting</th>
<th>Hurdle</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Quizzes</td>
<td>20%</td>
<td>No</td>
<td>In iLearn</td>
</tr>
<tr>
<td>Short Exercises</td>
<td>20%</td>
<td>No</td>
<td>In iLearn</td>
</tr>
<tr>
<td>Assignment</td>
<td>30%</td>
<td>No</td>
<td>In iLearn</td>
</tr>
<tr>
<td>Final Exam</td>
<td>30%</td>
<td>No</td>
<td>In iLearn</td>
</tr>
</tbody>
</table>

**Online Quizzes**
Assessment Type: Quiz/Test
Indicative Time on Task: 10 hours
Due: In iLearn
Weighting: 20%

Two online quizzes will be conducted during the session.

On successful completion you will be able to:
- Prepare and explain the interrelationships between the three major financial statements.
- Critically assess a company’s historical financial performance using financial ratios and other analysis tools.
- Apply financial analysis skills to develop financial projections for a project or business.

**Short Exercises**
Assessment Type: Case study/analysis
Indicative Time on Task: 20 hours
Due: In iLearn
Weighting: 20%

Four short exercises, each assessing a different topic.

On successful completion you will be able to:
- Prepare and explain the interrelationships between the three major financial statements.
- Critically assess a company’s historical financial performance using financial ratios and other analysis tools.
- Apply financial analysis skills to develop financial projections for a project or business.
- Construct and demonstrate proficiency in using spreadsheet based integrated financial models to solve a range of finance based problems.
Assignment
Assessment Type 1: Case study/analysis
Indicative Time on Task 2: 20 hours
Due: In iLearn
Weighting: 30%

Analysis of an individual case study topic and presentation of conclusions: 2,500 words

On successful completion you will be able to:
• Prepare and explain the interrelationships between the three major financial statements.
• Critically assess a company's historical financial performance using financial ratios and other analysis tools.
• Apply financial analysis skills to develop financial projections for a project or business.
• Construct and demonstrate proficiency in using spreadsheet based integrated financial models to solve a range of finance based problems.

Final Exam
Assessment Type 1: Examination
Indicative Time on Task 2: 20 hours
Due: In iLearn
Weighting: 30%

3-hour online exam on all topics covered during the session.

On successful completion you will be able to:
• Prepare and explain the interrelationships between the three major financial statements.
• Critically assess a company's historical financial performance using financial ratios and other analysis tools.
• Apply financial analysis skills to develop financial projections for a project or business.
• Construct and demonstrate proficiency in using spreadsheet based integrated financial models to solve a range of finance based problems.

1 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.

2 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

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

Required Text:


This textbook is available to buy from the publisher, McGraw-Hill Education, as either a print book or an e-book. Please note that the publisher’s prices may be quoted in US dollars and the book may ship from overseas. If you intend to use the print book, please allow sufficient time for delivery. The print book is also available from The Co-op, Dymocks and other sellers. The following links can be used to purchase the textbook:


Additional Readings:

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

Assumed Knowledge: Mathematical content

- This unit requires students to perform arithmetic (add, subtract, multiply, divide), to work with exponents (raise to the power of), and to perform algebraic manipulation of simple equations. For example, given the arithmetical answer to a calculation, it is expected that you can solve for one of the inputs.
  - If 534 = 221 + X – 440, what is X?
- Additionally, this unit requires students to solve mathematical problems using spreadsheet software by coding formulas into cells in the spreadsheet.
- Students should be familiar with financial mathematics such as simple interest and the time value of money.
  - If $200 is borrowed for 12 months at an interest rate of 6% pa to be paid monthly in arrears, how much interest is paid each month?
  - What is the effective annual interest rate?

TECHNOLOGY USED AND REQUIRED

This is an online unit which will make use of the University's iLearn system.

Unit 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.

- Here 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.

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 of spreadsheet.

**Unit Schedule**

The following schedule is a guide to the timing of each topic.

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
<th>Latest date to start working on this topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Orientation and Topic 1: Introduction to financial statement analysis</td>
<td>4 April</td>
</tr>
<tr>
<td>1</td>
<td>Topic 1: Introduction to financial statement analysis</td>
<td>11 April</td>
</tr>
<tr>
<td>2</td>
<td>Topic 2: Introduction to financial modelling</td>
<td>18 April</td>
</tr>
<tr>
<td>3</td>
<td>Topic 3: Preparing financial statements</td>
<td>25 April</td>
</tr>
<tr>
<td>4</td>
<td>Topic 4: A closer look at the balance sheet</td>
<td>2 May</td>
</tr>
<tr>
<td>5</td>
<td>Topic 5: Analysis of financial statements</td>
<td>9 May</td>
</tr>
<tr>
<td>6</td>
<td>Topic 6: Preparing a financial model Part 1</td>
<td>16 May</td>
</tr>
<tr>
<td>7</td>
<td>Topic 7: Preparing a financial model Part 2</td>
<td>23 May</td>
</tr>
<tr>
<td>8</td>
<td>Topic 8: Further steps in financial modelling</td>
<td>30 May</td>
</tr>
<tr>
<td>9</td>
<td>Topic 9: Analysis of financial statements (capstone)</td>
<td>6 June</td>
</tr>
<tr>
<td>10</td>
<td>Exam preparation</td>
<td>13 June</td>
</tr>
</tbody>
</table>
Policies and Procedures

Macquarie University policies and procedures are accessible from Policy Central (https://policies.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). 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) 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 or if you are a Global MBA student contact 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/.

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.