



# ACCG3050

## Financial Statement Analysis

Session 2, In person-scheduled-weekday, North Ryde 2024

*Department of Accounting and Corporate Governance*

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#### **Disclaimer**

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## General Information

Unit convenor and teaching staff

Unit Convenor

Jeffrey Wong

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Moderator

Jengfang Chen

[jengfang.chen@mq.edu.au](mailto:jengfang.chen@mq.edu.au)

Credit points

10

Prerequisites

130cp at 1000 level or above

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

### Assignment

Assessment Type 1: Case study/analysis Indicative Time on Task 2: 25 hours

Due: Week 8 & 12 (Group report) Week 12 & 13 (Presentation)

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.

### Assessed Coursework

Assessment Type 1: Participatory task Indicative Time on Task 2: 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.
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- Examine how financial statements are used in the valuation process.
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### **Final Examination**

Assessment Type <sup>1</sup>: Examination Indicative Time on Task <sup>2</sup>: 45 hours

Due: To be held during the university examination period

Weighting: **60%**

A two-hour examination will be held during the University Examination period.

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.
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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.

## 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 & 12 (Group report) Week 12 & 13 (Presentation)
<u>Final Examination</u>	60%	No	To be held during the university examination period

### Assessed Coursework

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

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### Assignment

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

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

Due: **Week 8 & 12 (Group report) Week 12 & 13 (Presentation)**

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- Undertake group work to perform a financial analysis and business valuation using a structured approach.
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- the academic teaching staff in your unit for guidance in understanding or completing this type of assessment
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<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 face-to-face lecture and one 1.5-hour face-to-face 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	Lecture Topic	Readings (from Palepu et al., 2020)	Assessment Due
1	A framework for business analysis and valuation	Chapter 1	
2	Strategy Analysis	Chapter 2	Week 2 Homework (HW)
3	Accounting Analysis	Chapter 3 & 4	Week 3 HW
4	Financial Analysis	Chapter 5	Week 4 HW
5	Financial Analysis (Contd.)	Chapter 5	Week 5 HW
6	Credit Analysis	Chapter 10	Week 6 HW
7	Forecasting Income Statement	Chapter 6 & 8	Week 7 HW
8	Forecasting Balance Sheet & Review of Cost of Capital	Chapter 6 & 8	Week 8 HW <b>Group Report-I</b>
<b>Mid-Session Break</b>			
9	Equity Valuation	Chapter 7 & 8	Week 9 HW
10	Equity Valuation (Contd.)	Chapter 7 & 8	Week 10 HW
11	Price Multiples and Market Efficiency	Chapter 7 & 9	Week 11 HW
12	Report submission and presentation		<b>Group Report- II &amp; Presentation</b>
13	Revision/Presentation		<b>Presentation</b>

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 \(https://policies.mq.edu.au\)](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) (<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](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)

## 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 Advocacy](#) provides independent advice on MQ policies, procedures, and processes

## 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.

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Unit information based on version 2024.02 of the [Handbook](#)