# ACCG3050

## Financial Statement Analysis

Session 1, 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
Jengfang Chen
jengfang.chen@mq.edu.au

Jeffrey Wong
jeffrey.wong@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: Case study/analysis
Indicative Time on Task: 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.
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- Compare different valuation models and investigate the sensitivity of the valuation to changes in the key input parameters.

**Assessed Coursework**

Assessment Type: Participatory task
Indicative Time on Task: 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.
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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Final Examination

Assessment Type 1: Examination
Indicative Time on Task 2: 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.
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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

<table>
<thead>
<tr>
<th>Name</th>
<th>Weighting</th>
<th>Hurdle</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessed Coursework</td>
<td>10%</td>
<td>No</td>
<td>Before the start of tutorial class</td>
</tr>
<tr>
<td>Assignment</td>
<td>30%</td>
<td>No</td>
<td>Week 8 &amp; 12 (Group report) Week 12 &amp; 13 (Presentation)</td>
</tr>
<tr>
<td>Final Examination</td>
<td>60%</td>
<td>No</td>
<td>To be held during the university examination period</td>
</tr>
</tbody>
</table>

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**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/](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**


**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/](https://ilearn.mq.edu.au/) from where you need to login to iLearn.
## Unit Schedule

<table>
<thead>
<tr>
<th>Week</th>
<th>Lecture Topic</th>
<th>Readings (from Palepu et al., 2020)</th>
<th>Assessment Due</th>
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<tbody>
<tr>
<td>1</td>
<td>A framework for business analysis and valuation</td>
<td>Chapter 1</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Strategy Analysis</td>
<td>Chapter 2</td>
<td>Week 2 Homework (HW)</td>
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<tr>
<td>3</td>
<td>Accounting Analysis</td>
<td>Chapter 3 &amp; 4</td>
<td>Week 3 HW</td>
</tr>
<tr>
<td>4</td>
<td>Financial Analysis</td>
<td>Chapter 5</td>
<td>Week 4 HW</td>
</tr>
<tr>
<td>5</td>
<td>Financial Analysis (Contd.)</td>
<td>Chapter 5</td>
<td>Week 5 HW</td>
</tr>
<tr>
<td>6</td>
<td>Credit Analysis</td>
<td>Chapter 10</td>
<td>Week 6 HW</td>
</tr>
<tr>
<td>7</td>
<td>Forecasting Income Statement</td>
<td>Chapter 6 &amp; 8</td>
<td>Week 7 HW</td>
</tr>
<tr>
<td>8</td>
<td>Forecasting Balance Sheet &amp; Review of Cost of Capital</td>
<td>Chapter 6 &amp; 8</td>
<td>Week 8 HW</td>
</tr>
<tr>
<td></td>
<td>Mid-Session Break</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Equity Valuation</td>
<td>Chapter 7 &amp; 8</td>
<td>Week 9 HW</td>
</tr>
<tr>
<td>10</td>
<td>Equity Valuation (Contd.)</td>
<td>Chapter 7 &amp; 8</td>
<td>Week 10 HW</td>
</tr>
<tr>
<td>11</td>
<td>Price Multiples and Market Efficiency</td>
<td>Chapter 7 &amp; 9</td>
<td>Week 11 HW</td>
</tr>
<tr>
<td>12</td>
<td>Report submission and presentation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Revision/Presentation</td>
<td></td>
<td>Presentation</td>
</tr>
</tbody>
</table>

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). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- Academic Appeals 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
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/.

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.