



ACCG350

Financial Statement Analysis

S2 Day 2019

Dept of Accounting & Corporate Governance

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General Information

Unit convenor and teaching staff

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Moderator

Charlene Chen

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Credit points

3

Prerequisites

(39cp at 100 level or above) including (ACCG252 or ACCG253 or AFIN250 or AFIN252 or AFIN253)

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:

Demonstrate an ability to undertake group work of financial analysis and business

valuation using a structured approach.

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

Understand linkages between economic environment, industry, strategy and the company valuation.

Understand how financial statements are used in the valuation process.

Understand how to use different valuation models and investigate the sensitivity of the valuation to changes in the key input parameters.

Assessment Tasks

Name	Weighting	Hurdle	Due
<u>Assessed Coursework</u>	10%	No	Ongoing
<u>Class Test</u>	10%	No	Week 8
<u>Assignment</u>	30%	No	3 Oct 2019 and 31 Oct 2019
<u>Final Examination</u>	50%	No	University Examination Period

Assessed Coursework

Due: **Ongoing**

Weighting: **10%**

The assessed coursework includes 10% of weekly homework. Student is required to attempt all assigned homework questions. 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 three weeks to mark homework.

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. No extensions will be granted. Students who have not submitted their homework to the Turnitin on time will be awarded a mark of 0, except for cases in which an application for special consideration is made and approved. If the application is approved, tutor will mark homework in an alternative week.

On successful completion you will be able to:

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

- Understand linkages between economic environment, industry, strategy and the company valuation.
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- Understand how to use different valuation models and investigate the sensitivity of the valuation to changes in the key input parameters.

Class Test

Due: **Week 8**

Weighting: **10%**

Class test will be held in Week 8 tutorial class. The test is worth 10%. Class test is closed book, and test questions are answered under examination conditions and of examination standard. Further details about class test will be announced on iLearn. No extensions will be granted. Students who have not attended the scheduled class test will be awarded a mark of zero, except for cases in which an application for special consideration is made and approved. If the application is approved, student is required to sit in a supplementary class test.

On successful completion you will be able to:

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

Due: **3 Oct 2019 and 31 Oct 2019**

Weighting: **30%**

The assignment includes

- 5% of group presentation (individually assessed)
- 10% of group report
- 15% of individual report.

Student will be advised of the content, format and assessment criteria later in the session. Instructions of the assignment including group presentation, group report and individual report will be made available on iLearn.

Group presentation is due in registered tutorials of groups in Week 6 or 7. Group report is due on

3 Oct 2019 and individual report is due on 31 Oct 2019.

Group report and individual report must be submitted to the Turnitin available on iLearn. Assignments will be checked for plagiarism or “copying” (within tutorials and across tutorials) and guilty parties (being the person/s who copied and the person/s who allowed the copying) will be investigated by the Faculty Discipline Committee.

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.

On successful completion you will be able to:

- Demonstrate an ability to undertake group work of financial analysis and business valuation using a structured approach.
- Interpret annual reports and other related public disclosures to evaluate a listed company's strategic decisions, accounting policies, financial position and growth potential.
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- Understand how financial statements are used in the valuation process.
- Understand how to use different valuation models and investigate the sensitivity of the valuation to changes in the key input parameters.

Final Examination

Due: **University Examination Period**

Weighting: **50%**

A final examination is included as an assessment task for this unit to provide assurance that: i) the product belongs to the student and ii) the student has attained the knowledge and skills tested in the exam.

The final exam of ACCG350 is closed book, and includes both calculative and theory questions, based on the learning outcomes of the unit. More details will be announced in due course in the final lecture in Week 13.

You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available in Draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations.

<http://www.timetables.mq.edu.au/exam>

You are advised that it is Macquarie University policy not to set early examinations for individuals or groups of students. All students are expected to ensure that they are available until the end of the teaching session, that is, the final day of the official examination period. The only

exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider making an application under the Special Consideration Policy.

If a Supplementary Examination is granted as a result of the Special Consideration application, the examination will be scheduled as per the Supplementary Examination timetable of the Faculty. Please note that the supplementary examination will be of a similar format as the final examination.

Supplementary exam information is available at http://www.businessandconomics.mq.edu.au/current_students/undergraduate/how_do_i/disruption_to_studies

The Macquarie university examination policy details the principles and conduct of examinations at the University. The policy is available at: <http://www.mq.edu.au/policy/docs/examination/policy.htm>

On successful completion you will be able to:

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

Classes There are 3 hours of face-to-face teaching per week consisting of one 1.5 hour lecture and one 1.5 hour tutorial. It is a requirement that students attend weekly tutorials. 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 Lee, Business Analysis & Valuation: Using Financial Statements, Second Asia Pacific Edition, Cengage Learning, 2015. The prescribed textbook can be purchased from the Macquarie University Co-op Bookshop. Copies are also available in the Macquarie University Library. eBook or eChapter option can be purchased from the publisher website.

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. Staff will not conduct consultations by email. You may, however, phone staff during their 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.

What is required to complete the unit satisfactorily Each weekly lecture and the accompanying lecture notes provide a broad outline of the unit material for that week. Students are encouraged to attend lectures or watch iLecture.

Students are required to attempt homework questions in advance of each week's tutorial. The tutorials are forums for small-group learning, in which material and concepts from the lectures, textbook and readings are discussed. Students are required to apply theories and techniques to the valuation of a listed company on ASX in the assignment. Students are required to work on the assignment throughout the session in groups, and undertake the valuation process independently. A unique feature of the unit is that much of the delivery (from lectures, textbook, case studies and tutorials) is directed at the assignment, in addition to the final examination.

Expected Workload

Activities	Hours
Weekly class attendance (3 hrs per week)	39
Weekly study, preparation of weekly homework (2 hrs per week)	24
Class test	10
Assignment	50
Final examination preparation	27
TOTAL	150

Unit Schedule

Week	Topic	Note
1	Introduction	No Tutorials in Week 1
2	Strategy Analysis	
3	Accounting Analysis	HW2 (Strategy Analysis) Due
4	Financial Analysis 1	HW3 (Accounting Analysis) Due

5	Financial Analysis 2	HW4 (Financial Analysis 1) Due
6	Credit Analysis	Group Presentation
7	Self-study for group report	Group Presentation
	Mid-Session Break	
8	Forecasting Financial Statement	Class Test Group Report Due
9	Equity Valuation 1	HW7 (Forecasting Financial Statement) Due
10	Equity Valuation 2	HW8 (Equity Valuation 1) Due
11	Price Multiples and Market Efficiency	HW9 (Equity Valuation 1) Due
12	Equity Security Analysis	Individual Report Due HW10 (Price Multiples and Market Efficiency) Due
13	Revision	HW11 (Equity Security Analysis) Due

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.*)

Undergraduate 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 \(http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central\)](http://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 or if you are a Global MBA student contact globalmba.support@mq.edu.au

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) provides academic writing resources and study strategies to improve your marks and take control of your study.

- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

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

If you are a Global MBA student contact 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/.

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.

Graduate Capabilities

Discipline Specific Knowledge and Skills

Our graduates will take with them the intellectual development, depth and breadth of knowledge, scholarly understanding, and specific subject content in their chosen fields to make them competent and confident in their subject or profession. They will be able to demonstrate, where relevant, professional technical competence and meet professional standards. They will be able to articulate the structure of knowledge of their discipline, be able to adapt discipline-specific knowledge to novel situations, and be able to contribute from their discipline to inter-disciplinary solutions to problems.

This graduate capability is supported by:

Learning outcomes

- Demonstrate an ability to undertake group work of financial analysis and business valuation using a structured approach.
- Interpret annual reports and other related public disclosures to evaluate a listed company's strategic decisions, accounting policies, financial position and growth potential.
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Assessment tasks

- Assessed Coursework
- Class Test
- Assignment
- Final Examination

Critical, Analytical and Integrative Thinking

We want our graduates to be capable of reasoning, questioning and analysing, and to integrate and synthesise learning and knowledge from a range of sources and environments; to be able to critique constraints, assumptions and limitations; to be able to think independently and systemically in relation to scholarly activity, in the workplace, and in the world. We want them to have a level of scientific and information technology literacy.

This graduate capability is supported by:

Learning outcomes

- Demonstrate an ability to undertake group work of financial analysis and business valuation using a structured approach.
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- Understand linkages between economic environment, industry, strategy and the company valuation.
- Understand how financial statements are used in the valuation process.
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Assessment tasks

- Assessed Coursework
- Class Test
- Assignment
- Final Examination

Problem Solving and Research Capability

Our graduates should be capable of researching; of analysing, and interpreting and assessing data and information in various forms; of drawing connections across fields of knowledge; and they should be able to relate their knowledge to complex situations at work or in the world, in order to diagnose and solve problems. We want them to have the confidence to take the initiative in doing so, within an awareness of their own limitations.

This graduate capability is supported by:

Learning outcome

- Demonstrate an ability to undertake group work of financial analysis and business valuation using a structured approach.

Assessment task

- Assignment