

## Financial statements analysis

ECTS : 3

### Description du contenu de l'enseignement :

The plan announced below provides a framework to follow for the course. It is indicative and flexible – some adjustments might be brought to it and would be duly announced in class.

1. Introduction: A Review of Accounting Fundamentals
2. The Financial and Analytical Income Statement
3. The Financial and Analytical Balance Sheet – From Financial Accounts to Financial Analysis
4. The Cash Cycle and Working Capital Management: From Earnings to Cash Flow
5. The Cash Flow Statement
6. The Capital Structure and Long-Term Solvency
7. Ratio Analysis and Performance Measurement
8. Discussion and Analysis of Real Case Studies
9. Conducting a Financial Analysis: Writing a Report

### Compétence à acquérir :

This course provides a framework designed to help students learn fundamental concepts, tools and techniques to think critically when analysing a company's financial health. The objective of the course is to understand how to use, interpret and analyse the financial statements for various analytical purposes such as investment, lending and management decisions.

The course goes beyond teaching you definitions of accounting ratios and will provide you with the financial analyst's toolkit. It will also demonstrate the limitations of only using the financial statements when conducting a financial analysis of a company. A good financial analyst must analyse the extra-accounting information and compare the company in question to its peers. In addition, he/she should have a thorough understanding of a company's accounting policies, its core business, its strategy, the nature of the sector in which it operates, as well as the potential impact of the economy on the financial performance of the company.

The course is a blend of theory and practice to help students gain a better insight into the corporate finance world. However, the approach adopted in class is based mostly on professional experience rather than a theoretical one. Students are urged to use, throughout the course, the reading booklet provided and explore further various topics and case studies of real companies they would be exposed to and on which we will brainstorm together.

*"For all of us, learning is a never-ending process, and is best accomplished in a sharing environment, where we communicate continuously with one another".* Hence, I encourage you all to work together throughout this semester.

### Mode de contrôle des connaissances :

- Mid-term: for 1h30mins, closed books
- Final Exam: for 2hrs, closed books

### Bibliographie, lectures recommandées :

- Corporate Finance: Theory and Practice, 5th Edition by Pierre Vernimmen / Pascal Quiry / Maurizio Dallocchio / Yann Le Fur and Antonio Salvi.
- Corporate Finance, 3rd Edition by Jonathan Berk and Peter DeMarzo (Stanford University).
- Fundamentals of Corporate Finance, 9th Edition by Stephen Ross / Randolph Westerfield and Bradford Jordan.
- The Analysis and Use of Financial Statements, 3rd Edition by Gerald I. White / Ashwinpaul C. Sondhi and Dov Fried.
- Fundamentals of Financial Accounting – Paper C02 by Henry Lunt.

