

<b>Course</b>	<b>FINC 5890 / JA / Financial Statement Analysis</b>	
<b>Term</b>	Fall 1, 2009 – Monday – 6:00 – 10:00 pm 8/17, 8/24, 8/31, <b>9/8 (Tuesday)</b> , 9/14, 9/21, 9/28, 10/5, 10/12	
<b>Instructor</b>	Name: Sina Rezaei Home Phone: (904) 642-5791 Work Phone: (904) 607-8164 Email: <a href="mailto:srezaei76@yahoo.com">srezaei76@yahoo.com</a>	
<b>Catalog Description</b>	Interpretation, analysis, and evaluation of financial reports from viewpoints of creditors, owners, investment firms, and others concerned with business strengths or weaknesses. The impact of general business and specific industry situations, behavior of financial markets, credit or lending criteria, and equity investment standards as related to financial statements to determine present and future financial condition are covered.	
<b>Prerequisites</b>	Prerequisites: FINC 5000 and BUSN 5600 or equivalent.	
<b>Course Level Learning Outcomes</b>	<b>Outcome</b>	<b>Expectation</b>
	1. Students understand basic accounting principles.	Students can identify the fundamental accounting principles underlying GAAP and terminology used to prepare financial statements.
	2. Students can analyze financial statements using common size and trend analysis.	Students can prepare a common size balance sheet, income statement and statement of cash flows and can analyze the financial condition of a company. Students can prepare a horizontal trend analysis.
	3. Students can analyze financial statements using ratio analysis.	Students can calculate financial ratios and compare those to industry benchmarks.
	4. Students understand off-balance-sheet debt.	Students can discuss issues related to off-balance-sheet financing techniques such as leasing and issuing of preferred stock.

	<p>5. Students can analyze intercorporate investments, business combinations and multinational operations.</p>	<p>Students can analyze intercorporate investments, business combinations and multinational corporations.</p>																
	<p>6. Students can analyze derivatives and hedging activities.</p>	<p>Students can describe derivatives and derivative transactions and develop hedging activities. Students can apply valuation and forecasting models for business entities.</p>																
<p><b>Materials</b></p>	<p>White, G. I., Sondhi, A.C., and Fried, D. <b>The Analysis and Use of Financial Statements. 3<sup>rd</sup> Edition.</b> Wiley. ISBN# 0-471-37594-2</p> <p><b>To Order Textbooks go to the local North FL website <a href="http://www.webster.edu/jack">www.webster.edu/jack</a> and click on Order Textbooks to select a vendor</b></p> <p><b>(Note: Textbooks must be ordered 2 weeks prior to class to ensure delivery)</b></p> <p><b>Supplemental Reading:</b></p> <ul style="list-style-type: none"> <li>• Current financial publications and literature, including but not limited to the <u>Wall Street Journal</u>, <u>Barron's</u>, <u>Investor's Business Daily</u> and <u>Business Week</u>. The online version of the Wall Street Journal is highly recommended.</li> <li>• <b>Research Paper Guidelines and Sample Paper</b> – See website @ <a href="http://www.webster.edu/jack">www.webster.edu/jack</a> and click on the Student Resources category.</li> </ul>																	
<p><b>Grading</b></p>	<table border="1" data-bbox="451 1136 1430 1692"> <thead> <tr> <th data-bbox="459 1146 1052 1182">Assignments</th> <th data-bbox="1052 1146 1422 1182">Maximum Points</th> </tr> </thead> <tbody> <tr> <td data-bbox="459 1213 1052 1249">• Current Events Weekly Assignments</td> <td data-bbox="1052 1213 1422 1249">5 Points</td> </tr> <tr> <td data-bbox="459 1281 1052 1316">• Case 1 &amp; 2</td> <td data-bbox="1052 1281 1422 1316">20 Points</td> </tr> <tr> <td data-bbox="459 1348 1052 1383">• Mid-term Exam</td> <td data-bbox="1052 1348 1422 1383">25 Points</td> </tr> <tr> <td data-bbox="459 1415 1052 1451">• Final Exam</td> <td data-bbox="1052 1415 1422 1451">25 Points</td> </tr> <tr> <td data-bbox="459 1482 1052 1518">• Research Paper/Presentation</td> <td data-bbox="1052 1482 1422 1518">20 Points</td> </tr> <tr> <td data-bbox="459 1549 1052 1585">• Class Participation and Attendance</td> <td data-bbox="1052 1549 1422 1585"><u>5 Points</u></td> </tr> <tr> <td data-bbox="459 1617 1052 1652"><b>TOTAL</b></td> <td data-bbox="1052 1617 1422 1652"><b>100 Points</b></td> </tr> </tbody> </table> <p data-bbox="418 1734 1430 1839">Letter grades will be assigned pursuant to the following scores based on the percent of the total possible points (weighted according to the scale above) that you earned in the course.</p>		Assignments	Maximum Points	• Current Events Weekly Assignments	5 Points	• Case 1 & 2	20 Points	• Mid-term Exam	25 Points	• Final Exam	25 Points	• Research Paper/Presentation	20 Points	• Class Participation and Attendance	<u>5 Points</u>	<b>TOTAL</b>	<b>100 Points</b>
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Percentage of Total Points	Grade
95%-100%	A
90%-94%	A-
85%-89%	B+
80%-84%	B
75%-79%	B-
70%-74%	C
Below 70%	F

- **CR** Work that is performed as satisfactory graduate work (B– or better). A grade of "CR" is reserved for courses designated by a department, involving internships, a thesis, practicum, or specified courses.
- **I** Incomplete work
- **ZF** An incomplete which was not completed within one year of the end of the course. ZF is treated the same as an F or NC for all cases involving G.P.A., academic warning, probation, and dismissal.
- **IP** In progress
- **NR** Not reported
- **W** Withdrawn from the course

**Activities**

- In-class group exercises
- Textbook problems
- Current Financial Events Discussion
- Class Discussion
- Case Discussion

**Current Events Session Assignment: (Sessions 2-9)**

- The Session Current Events assignment will be worth 5% of the final grade.
- The Current Events assignment is principally a single article topical summary and no additional research support is required. **However, Student must make sure that the topic is not general in nature and directly relates to financial reporting and financial statement analysis.**
- Students must prepare and present a single page outline summary and a copy of the article to the instructor. The purpose of this exercise is for the students to express their opinions as financial analysts. As such, the one page summary must include facts from the article, as well as the opinion of the students.
- Students unable to attend class or who fail to bring and turn-in a current events assignment will receive a zero for that day's current events assignment.

**Homework:**

- Students must prepare weekly homework assignments for problems listed in the syllabus. The students' success in this class is highly correlated with the timely preparation of listed homework assignments, as financial analysis can best be learned through practice.

**Case Analysis:**

- During the course students will be given two cases to analyze and prepare for discussion. Further details about the cases will be given during the course of the class.

**Mid-term Exam:**

- The take home mid-term exam will be worth 25% of the final grade.
- The exam will consist of essay questions and short answers. Difficulty points may be rewarded for questions that are deemed to be significantly challenging to the class in general.

**Final Exam:**

- The final exam will be worth 25% of the final grade.
- The exam is non-cumulative and will consist of essay questions and short answers. Difficulty points may be rewarded for questions that are deemed to be significantly challenging to the class in general.

**Research Paper / Presentation:**

- The research paper/presentation will be worth 20% of the final grade.
- The direction of the research paper will be given during the semester and will be based on topics related to specific chapters covered in the class.
- Paper should be 7-10 pages in length, typed, double-spaced and follow general APA guidelines. Presentation should be concise and within the time frame established by the instructor.
- A minimum of seven resources, of which three (3) must be from Passports, must be used to satisfy the requirements of the research project. Failure to utilize the minimum number of reference sources will result in a full letter grade reduction. There is no limitation on the number or type of resources that may be utilized. Proper citations, footnoting and bibliographies are required.
- As with all assigned papers/cases, research projects will be graded on content, effectiveness of argument, organization, and application of knowledge.
- Grammatical and spelling errors will count against you, sloppiness is a death knell to business presentations, and is inexcusable given available word-processing software.
- As this project is due on the last day of class, no late assignments will be accepted.

**Class Participation and Attendance:**

- Students are expected to attend all class sessions of every course for the full

	<p>36 contact hours. In the case of unavoidable absence, the student must contact the instructor. The student is subject to appropriate academic penalty for incomplete or unacceptable makeup work, or for excessive or unexcused absences. Generally, a student who misses more than one four-hour course period (per course) without a documented military or medical excuse and advanced permission of the instructor should withdraw from the class. The University reserves the right to involuntarily drop enrolled students from classes, which they do not attend. <b>PLEASE BE ADVISED:</b> <u>Students who do not attend the first class session, who have not made prior arrangements with the instructor for being absent, will be dropped from their courses.</u></p> <ul style="list-style-type: none"> <li>• Attendance the last day of class is mandatory to ensure that all work is completed and to be awarded a passing grade. An Incomplete will not be acceptable without documental proof (Death Notice, Doctor’s Letter, etc.) as to absence relating to non-completion of class work. These must be faxed 904-262-1459 or dropped off to Webster University by the Monday after the term ends.</li> <li>• Participants are expected to arrive on time and be actively involved in the learning experience. Each student should desire to learn, participate, and proactively contribute to the learning of others during each discussion and exercise.</li> <li>• Students are to participate in classroom discussions. The discussions are an opportunity for students to reveal their understanding of the assignments made for the current and previous classes.</li> <li>• Assignments are given to prepare the student to participate in class discussions; therefore, it is imperative that reading assignments and associated questions for discussion be completed prior to class.</li> <li>• A maximum of 5 points will be awarded based on the level and quality of participation and preparation.</li> <li>• Failure to turn in an assignment within one week will result in a grade of "0" for that assignment. In addition, failure to submit an assignment will lower the final grade.</li> <li>• All assignments are due as detailed in the Course Schedule.</li> <li>• Late assignments will be accepted per instructor’s discretion.</li> <li>• Late assignments will not be accepted for the final assignments the last week of the course to allow timely completion and grades to be submitted.</li> </ul>
<p><b>Policy Statements:</b> <b>University Policies</b></p>	<p>University policies are provided in the current course catalog and course schedules. They are also available on the university website. This class is governed by the university’s published policies. The following policies are of particular interest:</p> <p><b>Academic Honesty</b></p> <p>The university is committed to high standards of academic honesty. Students will be held responsible for violations of these standards. Please refer to the university’s academic honesty policies for a definition of</p>

	<p>academic dishonesty and potential disciplinary actions associated with it.</p> <p><b>Drops and Withdrawals</b></p> <p>Please be aware that, should you choose to drop or withdraw from this course, the date on which you notify the university of your decision will determine the amount of tuition refund you receive. Please refer to the university policies on drops and withdrawals (published elsewhere) to find out what the deadlines are for dropping a course with a full refund and for withdrawing from a course with a partial refund.</p> <p><b>Special Services</b></p> <p>If you have registered as a student with a documented disability and are entitled to classroom or testing accommodations, please inform the instructor at the beginning of the course of the accommodations you will require in this class so that these can be provided.</p> <p><b>Disturbances</b></p> <p>Since every student is entitled to full participation in class without interruption, disruption of class by inconsiderate behavior is not acceptable. Students are expected to treat the instructor and other students with dignity and respect, especially in cases where a diversity of opinion arises. Students who engage in disruptive behavior are subject to disciplinary action, including removal from the course.</p> <p><b>Student Assignments Retained</b></p> <p>From time to time, student assignments or projects will be retained by The Department for the purpose of academic assessment. In every case, should the assignment or project be shared outside the academic Department, the student's name and all identifying information about that student will be redacted from the assignment or project.</p> <p><b>Contact Hours for this Course</b></p> <p>It is essential that all classes meet for the full instructional time as scheduled. A class cannot be shortened in length. If a class session is cancelled for any reason, it must be rescheduled.</p>
<p><b>Course Policies</b></p>	<p>This syllabus may be revised at the discretion of the instructor without the prior notification or consent of the student.</p> <p>No make-up exams will be allowed after the exam date unless accompanied by a written excuse by a physician, nurse, or other qualified individual. If you must go out of town, please make arrangements before the exam date to take the exam.</p>
<p><b>Weekly Schedule</b></p>	<p><b>Pre-Assignments for Session 1:</b></p> <ul style="list-style-type: none"> <li>• Read Chapters 1 and 2</li> <li>• Prepare Current Event Summary</li> <li>• Prepare for Discussion; Chapter 1 Problems: 1, 17, 22, and 23 Chapter 2 Problems: 6, 9, and 14</li> </ul>

	<p><b>Session 1</b></p>	<p><b>THEME: Introduction to Financial Statement Analysis</b></p> <p><b>Topics:</b></p> <ul style="list-style-type: none"> <li>• Introduction of Course and Expectations/Syllabus Review</li> <li>• Chapter 1- Framework for Financial Analysis</li> <li>• Chapter 2 – Accounting Income and Assets: The Accrual Concept</li> <li>• Homework Review</li> <li>• Discuss Current Events</li> </ul> <p><b>Assignments for Session 2:</b></p> <ul style="list-style-type: none"> <li>• Read Chapters 3 and 4</li> <li>• Prepare for Discussion: Chapter 3 Problems: 1 and 2 Chapter 4 Problems: 12, 14, and 15</li> <li>• Prepare Current Event Summary</li> </ul>
	<p><b>Session 2</b></p>	<p><b>THEME: Cash Flow Statement and Financial Ratios</b></p> <p><b>Topics:</b></p> <ul style="list-style-type: none"> <li>• Chapter 3- Analysis of Cash Flows</li> <li>• Chapter 4- Foundations of Ratio and Financial Analysis</li> <li>• Homework Review</li> <li>• Discuss Current Event Summary</li> </ul> <p><b>Assignments for Session 3:</b></p> <ul style="list-style-type: none"> <li>• Read Chapters 7 and 8</li> <li>• Prepare for Discussion: Chapter 7 Problems: 2, 5, and 9 Chapter 8 Problems: 2, 3, and 5</li> <li>• Prepare Case #1</li> </ul>
	<p><b>Session 3</b></p>	<p><b>THEME: Asset Analysis (Capitalization, Expensing, Depreciation, and Impairment)</b></p> <p><b>Topics:</b></p> <ul style="list-style-type: none"> <li>• Chapter 7- Analysis of Long-Lived Assets: The Capitalization Decision</li> <li>• Chapter 8- Analysis of Long-Lived Assets: Analysis of Depreciation and Impairment</li> <li>• Homework Review</li> <li>• Case #1</li> </ul> <p><b>Assignments for Session 4:</b></p> <ul style="list-style-type: none"> <li>• Read Chapters 10 and 11</li> <li>• Prepare for Discussion: Chapter 10 Problem: 3 Chapter 11 Problems: 2 (ii) and 4</li> <li>• Prepare Current Event Summary</li> </ul>

	<p><b>Session 4</b></p>	<p><b>THEME: Analysis of Liabilities</b></p> <p><b>Topics:</b></p> <ul style="list-style-type: none"> <li>• Chapter 10- Analysis of Financing Liabilities</li> <li>• Chapter 11 – Leases and Off-Balance Sheet Debt</li> <li>• Homework Review</li> <li>• Discuss Current Event Summary</li> <li>• <b>Issue Midterm- Chapters 1, 2, 3, 4, 7, 8, 10, and 11 (Due Session 5)</b></li> </ul> <p><b>Assignments for Session 5:</b></p> <ul style="list-style-type: none"> <li>• Complete and Return Midterm Exam</li> <li>• Read Chapters 12 -13</li> <li>• Prepare for Discussion: Chapter 12 Problem: 4a and 5a Chapter 13 Problems: 4a (iii) and 4b (iii)</li> </ul>
	<p><b>Session 5</b></p>	<p><b>THEME: Inter Corporate Analysis and Internal Liabilities</b></p> <p><b>Topics:</b></p> <ul style="list-style-type: none"> <li>• Chapter 12- Pensions and Other Employee Benefits</li> <li>• Chapter 13- Analysis of Inter corporate Investments</li> <li>• Turn in Midterm Exam</li> </ul> <p><b>Assignments for Session 6:</b></p> <ul style="list-style-type: none"> <li>• Read Chapter 14</li> <li>• Prepare for Discussion: Chapter 14 Problems: 5 and 10</li> <li>• Prepare Case #2</li> </ul>
	<p><b>Session 6</b></p>	<p><b>THEME: Mergers and Multinational Corporations</b></p> <p><b>Topics:</b></p> <ul style="list-style-type: none"> <li>• Chapter 14- Analysis of Business Combinations</li> <li>• Homework Review</li> <li>• Discuss Case#2</li> </ul> <p><b>Assignments for Session 7:</b></p> <ul style="list-style-type: none"> <li>• Prepare Current Event Summary</li> <li>• Read Chapters 16 and 17</li> <li>• Prepare for Discussion Chapter 16 Problems: 11 and 12</li> </ul>
	<p><b>Session 7</b></p>	<p><b>THEME: Alternative Securities and Practical Analysis</b></p> <p><b>Topics:</b></p> <ul style="list-style-type: none"> <li>• Chapter 16- Derivatives and Hedging Activities</li> <li>• Chapter 17- Analysis of Financial Statements</li> <li>• Homework Review</li> <li>• Discuss Current Event Summary</li> </ul>

		<b>Assignments for Session 8:</b> <ul style="list-style-type: none"> <li>• Project Review</li> </ul>
	<b>Session 8</b>	<b>THEME: Corporate Risk and Return</b> <b>Topics:</b> <ul style="list-style-type: none"> <li>• Project Review</li> <li>• <b>Issue Final Exam- Chapters 12, 13, 14,16 and 17 (Due Session 9)</b></li> </ul> <b>Assignments for Session 9:</b> <ul style="list-style-type: none"> <li>• Final Paper and Presentation</li> <li>• Turn in Final Exam</li> </ul>
	<b>Session 9</b>	<b>THEME: Wrap-Up</b> <b>Topics:</b> <ul style="list-style-type: none"> <li>• Final Paper and Presentation</li> <li>• Turn in Final Exam</li> </ul>
<b>Additional Information</b>	None	
Reviewed by: <u>    <i>J. Ewing</i>    </u> Job Title: <u>    Faculty Coordinator    </u> Date: <u>    09/05/07    </u>		

Revised 8/28/07