

Course	FINC 5890 Financial Analysis	
Term	Spring 2 2008	
Instructor	Name:	Claud Pitts III, D.B.A.
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Catalog Description	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	
Prerequisites	FINC 5000 (Finance) BUSN 5600 (Accounting Theory and Practice)	
Course Level Learning Outcomes	Outcome	Expectation
	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.
	5. Students can analyze intercorporate investments, business combinations and multinational operations.	Students can analyze intercorporate investments, business combinations and multinational corporations.
	6. Students can analyze derivatives and hedging activities.	Students can describe derivatives and derivative transactions and develop hedging activities. Students can apply valuation and forecasting models for business entities.
Materials	THE ANALYSIS AND USE OF FINANCIAL STATEMENTS, by White, Sondhi, and Fried, Third Edition, 2004, Wiley	



[Analysis and Use of Financial Statements - Annual Supplement \(Custom\)](#)

Author: White, Gerald I.

Edition: 3RD 04

ISBN: 0-555-01230-1

Publisher: John Wiley & Sons, Inc.

E-RESERVES:

Lecture notes and presentations, assignments, and supplementary readings for this class can be found on E-Reserves. The textbook for this class is NOT available on E-reserves. (<http://ereserves.webster.edu>)

The password for this class this term will be issued during the first class meeting.

Grading

Participation	10
Individual papers & Presentation	20
Written assignments	20
Midterm exam	20
Final exam	<u>30</u>
Total	100

Graduate Grading Scale:

- 93 – 100 Points = A
- 90 – 92 Points = A-
- 87 – 89 Points = B+
- 84 – 86 Points = B
- 80 – 83 Points = B-
- 70 – 79 Points = C
- 0 – 69 Points = F

The GRADUATE catalog provides these guidelines and grading options:

- **A/A-** Superior graduate work
- **B+/B/B-** Satisfactory graduate work
- **C** Work that is barely adequate as graduate-level performance
- **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, practicums, or specified courses.
- **F** Work that is unsatisfactory
- **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

Discussion of assigned readings, cases, individual papers and discussion of activities and assigned problems.

<p>Policy Statements: University Policies</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>Academic Honesty 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 academic dishonesty and potential disciplinary actions associated with it.</p> <p>Attendance Policy "The University reserves the right to cancel a student's course enrollment if the student does not attend class the first or second week of the term/semester. Students are expected to attend all class sessions. In the case of unavoidable absence (e.g., medical reason, work related travel), the student must contact the instructor directly and immediately. The instructor may give warning to the student and then recommend that the student withdraw from the course. The student is subject to appropriate academic penalty for incomplete or other make-up 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 from the instructor should withdraw from the class."</p> <p>Drops and Withdrawals 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>Special Services 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>Disturbances 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>Student Assignments Retained 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>Contact Hours for this Course 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>Course Policies</p>	<p>The contents of this syllabus, and the course may be revised without prior notice based on the number of students and the discretion of the professor. Points may be deducted from the student's grade for each session missed and the lack of participation in class activities.</p>

	<p>No grade will be given to a student who misses more than two class meetings.</p> <p>Each student will be required to select a publicly traded company and collect financial information about the company. Using the information collected the student will conduct a in-depth financial analysis of the selected company using the concepts, principles and techniques presented during the course. From the results analysis the student will be required to produce a 15 to 20 page paper in the APA format with a minimum of five (5) non-internet references. From this document the student will be required to develop a 10 to 15 minute oral presentation of the results of the analysis in week nine of the class.</p> <p>REQUIRED WRITING COMPONENT: Each student will be assigned a different management accounting topic. The student will be required to research the topic, prepare a 750-1050 word paper, and prepare a PowerPoint presentation. Cite sources to support your research and write in a coherent, organized fashion expected at the college level. APA format and style. Be sure to include at least five non-internet sources such as professional journals or papers. Include a bibliography. Be sure to use appropriate citations in the text. At the Week 7 meeting each student will orally present their topic by use of their PowerPoint presentation.</p> <p>REQUIRED USE OF PASSPORTS: Students are required to use Webster University's online library, PASSPORTS (http://library.webster.edu). PASSPORTS offers access to many scholarly and professional publications free of charge. Check with the Academic Advisor or visit the website for more information about what is available via PASSPORTS.</p> <p>TURN-IT-IN PLAGIARISM DATABASE: Faculty encourage students to use the Turn-it-In Plagiarism Database and should include the password on the syllabus. (http://library.webster.edu/turnitin.html)</p> <p>WRITING ASSISTANCE: All students are encouraged to submit their research papers to the Webster On-Line Writing Center for review and assistance. (http://www.webster.edu/acadaffairs/asp/wc/online.html)</p>
<p>Weekly Schedule</p> <p>3-18-08</p>	<p>Week 1 Topic</p> <p>Read the following chapter and be prepared to discuss it in class</p> <ul style="list-style-type: none"> • Chapter 1: Framework for Financial Analysis.
<p>3-25-08</p>	<p>Week 2 Topics:</p> <p>Read the following chapters and be prepared to discuss them in class</p> <ul style="list-style-type: none"> • Chapter 2: Accounting Income and Assets: The Accrual Concept. • Chapter 3: Analysis of Cash Flows..
<p>4-01-08</p>	<p>Week 3 Topics:</p> <p>Read the following chapters and be prepared to discuss them in class.</p> <ul style="list-style-type: none"> • Chapter 4: Foundations of Ratio and Financial Analysis. • Chapter 5: Empirical Research: Implications for Financial Statement Analysis.

<p>4-08-08</p>	<p>Week 4 Topics: Read the following chapters and be prepared to discuss them in class.</p> <ul style="list-style-type: none"> • Chapter 6: Analysis of Inventories. • Chapter 7: Analysis of Long-Lived Assets: Part I ---The Capitalization Decision. • Chapter 8: Analysis of Long-Lived Assets: Part II --Analysis of Depreciation and Impairment. • Review Chapters 1 through 8 for Midterm Examination
<p>4-15-08</p>	<p>Week 5 Topics: Read the following chapters and be prepared to discuss them in class</p> <ul style="list-style-type: none"> • Midterm Examination: Chapters 1 through 8. • Chapter 9: Analysis of Income Taxes
<p>4-22-08</p>	<p>Week 6 Topics: Read the following chapters and be prepared to discuss them in class</p> <ul style="list-style-type: none"> • Chapter 10: Analysis of Financing Liabilities. • Chapter 11: Leases and Off-Balance-Sheet Debt. • Chapter 12: Pensions and Other Employee Benefits.
<p>4-29-08</p>	<p>Week 7 Topics: Read the following chapters and be prepared to discuss them in class</p> <ul style="list-style-type: none"> • Chapter 13: Analysis of Intercorporate Investments. • Chapter 14: Analysis of Business Combinations. • Chapter 15: Analysis of Multinational Operations.
<p>5-06-08</p>	<p>Week 8 Topics: Read the following chapters and be prepared to discuss them in class</p> <ul style="list-style-type: none"> • Chapter 16: Derivatives and Hedging Activities. • Chapter 17: Analysis of Financial Statements: A Synthesis. • Chapter 18: Accounting- and Finance-Based Measures of Risk. • Course review and preparation for Final Examination. • Review Chapters 9 through 18 for Final Examination.
<p>5-13-08</p>	<p>Week 9 Topics: Read the following chapters and be prepared to discuss them in class</p> <ul style="list-style-type: none"> • Chapter 19: Valuation and Forecasting.. • Final Examination. & Presentations