Course Name: Financial Statement Analysis

Course Code: FIN308
Credit Hours: 03
Course Week: 16-18
Total Hours: 48-54
Semester: 4th
Total marks: 100

Week – 1
Fundamental concepts and Introduction to financial reporting
- Development of Generally Accepted Accounting Principles (GAAP)
- Additional input – Institute of chartered Accounts of Pakistan

Week – 2
Traditional Assumptions of the Accounting Model
- Cases

Week – 3
Introduction to Financial Statements and other Financial reporting topics
- Forms of Business entities
- Financial Statements
- Accounting cycle

Week – 4
Human resources and social accounting
- Auditor’s report
- Summing annual reports
- Ethics
- Harmonization of international Accounting Standards
- Cases

Week – 5 & 6
Balance Sheet
- Consolidated statements
- Accounting for business Combinations
- Elements of balance Sheet
- Cases

Week – 7
Basic Elements of Income statement
- Special income Statement Items
- Earnings per share
- Retained earnings
- Dividends and Stock Splits

Week – 8
Basics of Analysis
- Ratio Analysis
- Common Size Analysis
- Financial Statement Variations by type of industry
- Review of descriptive

Week – 9
Comparisons
- An illustration of statement analysis

Week – 10
Liquidity of Short term assets: related debt paying ability
- Current assets and liabilities and the operating cycle

Week – 11
Current assets compared with liabilities
- Other liquidity considerations
- Cases

Week – 12
Long term debt paying ability
- Income statement consideration when determining long term debt paying ability
- Balance sheet consideration when determining long term debt paying ability

Week – 13
Analysis of Profitability
- Profitability measures
- Segmenting reporting

Week – 14
Analysis for the Investor
- Leverage & its effects on earnings
- Earnings per common share
- Price earning ratio
- Percentage of earnings retained

Week – 15
Dividend Payout
- Dividend yield
- Book value per share
- Stock options
- Stock appreciation rights

Week – 16
Statement of cash flows
- A review of the funds statement
- Basic elements
- Financial ratios and the statement of cash flows

Course Book:
1. Financial Statement Analysis by “Charles H. Gibson” 7th edition Publisher South Western

Reference Book:
2. Managerial Financial management by Van horn
3. Fundamental Analysis by John. C. Ritchie Publisher Prob.