



EFFECTIVE: SEPTEMBER 2002

CURRICULUM GUIDELINES

A: Division: **Instruction** Date: **February 2002**
B: Department/ **Commerce & Business Admin.** New Course Revision
 Program Area: **Financial Services Studies**
 If Revision, Section(s) Revised: **H**
 Date Last Revised: **1999-01: new course**

C: **FINC 380** **D:** **Corporate Performance: Financial Statement Analysis** **E:** **3**

Subject & Course No.	Descriptive Title	Semester Credits
----------------------	-------------------	------------------

<p>F: Calendar Description:</p> <p>The course will introduce methodology and analytic techniques for both the financial dimensions of corporate management and functionality of financial statements. Case-by-case analysis will introduce issues of financial analysis, revenue and risk analysis. Accounting analysis, GAAP-FASB principles of accounting treatment on business projects, the valuation of assets, cash flow forecasts, earnings valuation, prospective analysis, credit and banking valuation, corporate financial policies for increasing shareholder wealth, corporate takeovers, and financial disclosure requirements will be explored.</p>	
---	--

<p>G: Allocation of Contact Hours to Types of Instruction/Learning Settings</p> <p>Primary Methods of Instructional Delivery and/or Learning Settings:</p> <p>Lectures and Seminars</p> <p>Number of Contact Hours: (per week / semester for each descriptor)</p> <p>Lecture: 4 Hrs.</p> <p>Total: 4 Hrs.</p> <p>Number of Weeks per Semester:</p> <p>15 Weeks X 4 Hrs per week = 60 Hrs.</p>	<p>H: Course Prerequisites:</p> <p>FINC 345 and effective September 2002, English 12 with a letter grade of "C" or better or equivalent.</p> <hr/> <p>I: Course Corequisites:</p> <p>Nil</p> <hr/> <p>J: Course for which this Course is a Prerequisite:</p> <p>nil</p> <hr/> <p>K: Maximum Class Size:</p> <p>35</p>
--	--

<p>L: PLEASE INDICATE:</p> <p><input type="checkbox"/> Non-Credit</p> <p><input type="checkbox"/> College Credit Non-Transfer</p> <p><input type="checkbox"/> College Credit Transfer:</p>	<p>Requested <input type="checkbox"/> Granted <input type="checkbox"/></p> <p>SEE BC TRANSFER GUIDE FOR TRANSFER DETAILS (www.bccat.bc.ca)</p>
---	---

M: Course Objectives/Learning Outcomes

At the end of the course, the successful student should be able to:

1. apply all the financial analysis skills to actual and simulated financial statements;
2. analyze corporate, divisional and consolidated financial and operating pro formas and be able to compare like companies by using ratio analysis;
3. extend, revise, reformat corporate financial reports;
4. present financial findings in a management report (verbal and written).

N: Course Content

1. Financial analysis and forecasting
 - C properties of financial statements
 - C cash flow and ratio analysis
 - C credit analysis
 - C GAAP-FASB rules of corporate disclosure
 - C revenue recognition, financial risk assessment
 - C financial profitability, financial position
 - C annual report disclosure
2. Capital and operating leases
 - C sales and direct financing leases
 - C wrap-around leases
 - C lease accounting and disclosure requirements
 Prospective analysis — earnings valuation
 - C price-earnings analysis
 - C earnings-based valuation models
 - C mergers and acquisitions
 - C accounting and business valuations
3. Credit analysis and financial distress
 - C corporate financial policies
 - C equity security analysis

Upon introduction of theory, students will be exposed to practical financial applications, and case studies. Where appropriate, EXCEL-based templates will be used as part of the application component and Canadian corporations with international operations will be used to exemplify theory. Upon completion of each case, students, in groups, will be required to prepare a management report focusing on:

- C identification of the most important problem described in the case;
- C complete financial and business analysis of quantitative reports, financial statements;
- C an evaluation of the various alternatives;
- C a recommended course of action with “predicted/forecasted” financial data, based on the recommended course of action.

O: Methods of Instruction

Material will be presented within a lecture format.

P: Textbooks and Materials to be Purchased by Students:

4. White, G.I., Ashwinpaul, C.S., and Fried, D. The Analysis and Use of Financial Statements, latest ed. Toronto: John Wiley & Sons Canada Ltd. (required)
5. Krishna, G.P., Bernard, V.L., and Heady, P.M. Business Analysis and Valuation, latest ed. New York: SouthWestern College Publishing. (optional)
6. Helfert, E.A. Techniques of Financial Analysis, latest ed. Toronto: Irwin Publishing. (optional)
7. Students are required to have a financial business calculator.

Q: Means of Assessment

Minimum of 3 evaluations, none of which will exceed 40%, for a total of 100%.

R: Prior Learning Assessment and Recognition: specify whether course is open for PLAR

No.

Course Designer(s): **Joe Ilsever**

Education Council/Curriculum Committee
Representative

Dean/Director: **Jim Sator**

Registrar: **Trish Angus**

© Douglas College. All Rights Reserved.

DATE: February 2002