

School of Accounting and Commercial Law

ACCY 306 FINANCIAL STATEMENT ANALYSIS

Trimester Two 2006

COURSE OUTLINE

Contact Details

Course Coordinator/Lecturer Tony van Zijl RH 606 Phone: 463 5329
Email: tony.vanzijl@vuw.ac.nz
Office Hours: Tuesday 5.00-6.00pm, Friday 4.00-5.00pm

Lecturer Martin Turner RH 712 Phone: 463 6591
Email: martin.turner@vuw.ac.nz
Office Hours: Thursday and Friday 2.40-3.30pm

Administrative Chloe Thompson RH 708 Phone: 463 5383
Email: chloe.thompson@vuw.ac.nz

Class Times and Room Numbers

Thursday 10.30-11.20 GBLT2
Friday 12.40-14.30 GBLT2

Tutorials

You should sign up for tutorials using Blackboard during the first week of classes. Tutorial numbers and times: tba.

Course Objectives

The course aims to facilitate understanding of the use of financial statement information for making investment decisions.

Course Content

The broad topics to be covered are:

- Analysing the financial statements
- Valuation models
- Forecasting
- Quality of financial statement information
- Risk Analysis

Expected Workload

Students should expect to spend, on average, 12 hours per week on the course. How this time is made up will vary somewhat from week to week. However, in addition to attendance at the lectures and tutorial, it would typically include four hours preparing and revising notes and four hours working on assignments and tutorial questions.

Unless you keep up with the course work, you are likely to face considerable problems catching up to be adequately prepared for the Terms Test and Final Examination.

Required Text

Financial Statement Analysis and Security Valuation, Penman, S., McGraw-Hill Irwin, New York, 3rd Edition, 2006.

Materials and Equipment

Electronic calculators are permitted to be used in the Terms Test and Final Examination. Calculators must be battery powered and silent in operation. Calculators with alphanumeric keyboards and programming functions will not be permitted. If you are in doubt you should check with the Course Coordinator as to whether your calculator meets these requirements.

Assessment Requirements

There will be a 2-hour term exam during the lecture time on Friday 8 September, and a registry conducted 3-hour final examination at the end of the course. The test will cover all the material presented before the mid term break. The overall grade for the course will be determined as follows:

	Weighting (%)
Term Exam	40
Final Exam	60

There are no mandatory course requirements (terms). However, failure to complete the assignments satisfactorily would lose you the benefit of any doubt if your final mark were close to a grade borderline, and could make it impossible to assess an aegrotat pass if you were unable to take the final examination.

Assignment Due Dates

Assignments are due by 3.30 pm on Fridays. They should be placed in the ACCY 306 boxes on the mezzanine floor of Rutherford House. Please ensure that all pages are stapled, and that your name and tutorial number are clearly visible on the first page.

Communication of Additional Information

Additional information concerning this course will be posted on Blackboard and on the Accountancy noticeboard on the Mezzanine Floor of Rutherford House.

Programme and Readings

Week	Commencing	Topic	Lecturer	Readings	Tutorial	Assignment
1	10 July	Introduction	van Zijl	Ch 1, 2, 3		
2	17 July	Accounting and valuation	van Zijl	Ch 4, 5		1
3	24 July	Accounting and valuation	van Zijl	Ch 5, 6	1	2
4	31 July	Analysis of financial statements	Turner	Ch 7, 8	2	3
5	7 August	Analysis of financial statements	Turner	Ch 9, 10	3	4
6	14 August	Profitability	Turner	Ch 11	4	5
Mid-trimester break						
7	4 September	Growth and sustainable earnings	Turner	Ch 12	5	Test
8	11 September	Value of operations	Turner	Ch 13	6	6
9	18 September	Forecasting and Valuation	van Zijl	Ch 14, 15	7	7
10	25 September	Accounting and economic value	van Zijl	Ch 16	8	8
11	2 October	Quality of accounting	van Zijl	Ch 17	9	9
12	9 October	Cost of capital and credit risk	van Zijl	Ch 18, 19	10	–

Faculty of Commerce and Administration Offices

Railway West Wing (RWW) - FCA Student and Academic Services Office

The Faculty's Student and Academic Services Office is located on the ground and first floors of the Railway West Wing. The ground floor counter is the first point of contact for general enquiries and FCA forms. Student Administration Advisers are available to discuss course status and give further advice about FCA qualifications. To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

Easterfield (EA) - FCA/Education/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce and Administration, Education and Law is situated in the Easterfield Building - it includes the ground floor reception desk (EA005) and offices 125a to 131 (Level 1). The office is available for the following:

- Duty tutors for student contact and advice.
- Information concerning administrative and academic matters.
- Forms for FCA Student and Academic Services (e.g. application for academic transcripts, requests for degree audit, COP requests).
- Examinations-related information during the examination period.

To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly the Assessment Statute, the Personal Courses of Study Statute, the Statute on Student Conduct and any statutes relating to the particular qualifications being studied; see the

Victoria University Calendar available in hard copy or under 'About Victoria' on the VUW home page at www.vuw.ac.nz.

Student and Staff Conduct

The Statute on Student Conduct together with the Policy on Staff Conduct ensure that members of the University community are able to work, learn, study and participate in the academic and social aspects of the University's life in an atmosphere of safety and respect. The Statute on Student Conduct contains information on what conduct is prohibited and what steps are to be taken if there is a complaint. For information about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor or refer to the statute on the VUW policy website at www.vuw.ac.nz/policy/studentconduct. The Policy on Staff Conduct can be found on the VUW website at www.vuw.ac.nz/policy/staffconduct.

Academic Grievances

If you have any academic problems with your course you should talk to the tutor or lecturer concerned; class representatives may be able to help you in this. If you are not satisfied with the result of that meeting, see the Head of School or the relevant Associate Dean; VUWSA Education Coordinators are available to assist in this process. If, after trying the above channels, you are still unsatisfied, formal grievance procedures can be invoked. These are set out in the Academic Grievances Policy which is published on the VUW website at www.vuw.ac.nz/policy/academicgrievances.

Academic Integrity and Plagiarism

Academic integrity is about honesty – put simply it means **no cheating**. All members of the University community are responsible for upholding academic integrity, which means staff and students are expected to behave honestly, fairly and with respect for others at all times.

Plagiarism is a form of cheating which undermines academic integrity. The University defines plagiarism as follows:

The presentation of the work of another person or other persons as if it were one's own, whether intended or not. This includes published or unpublished work, material on the Internet and the work of other student or staff.

It is still plagiarism even if you re-structure the material or present it in your own style or words.

Note: It is however, perfectly acceptable to include the work of others as long as that is acknowledged by appropriate referencing.

Plagiarism is prohibited at Victoria and is not worth the risk. Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct and may be penalised severely. Consequences of being found guilty of plagiarism can include:

- an oral or written warning
- cancellation of your mark for an assessment or a fail grade for the course
- suspension from the course or the University.

Find out more about plagiarism, and how to avoid it, on the University's website at www.vuw.ac.nz/home/studying/plagiarism.html.

Students with Impairments

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities the same opportunity as other students to demonstrate their abilities. If you have a disability, impairment or chronic medical condition (temporary, permanent or recurring) that may impact on your ability to participate, learn and/or achieve in lectures and tutorials or in meeting the course requirements, please contact the Course Coordinator as early in the course as possible. Alternatively you may wish to approach a Student Adviser from Disability Support Services (DSS) to discuss your individual needs and the available options and support on a confidential basis. DSS are located on Level 1, Robert Stout Building, telephone (04) 463 6070, email disability@vuw.ac.nz. The name of your School's Disability Liaison Person is in the relevant prospectus or can be obtained from the School Office or DSS.

Student Support

Staff at Victoria want students to have positive learning experiences at the University. Each Faculty has a designated staff member who can either help you directly if your academic progress is causing you concern, or quickly put you in contact with someone who can. Assistance for specific groups is also available from the Kaiwawao Māori, Manaaki Pihipihinga or Victoria International.

In addition, the Student Services Group (email student-services@vuw.ac.nz) is available to provide a variety of support and services. Find out more at www.vuw.ac.nz/st_services/.

VUWSA employs Education Coordinators who deal with academic problems and provide support, advice and advocacy services, as well as organising class representatives and Faculty delegates. The Education Office (tel. 04 463 6983 or 04 463 6984, email education@vuwsa.org.nz) is located on the ground floor, Student Union Building.

Manaaki Pihipihinga - Maori and Pacific Mentoring Programme (Faculty of Commerce and Administration)

This is a mentoring service for Maori and Pacific students studying at all levels. Weekly one hour sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade, and Room 210 and 211, Level 2, Railway West Wing. Sessions cover drafting and discussing assignments, essay writing, and any questions that may arise from tutorials and/or lectures. A computer suite networked to Cyber Commons is available for student use.

To register with Manaaki Pihipihinga, please contact one of the following:

Puawai Wereta
Room 210, Level 2
Railway West Wing
Tel. (04) 463 8997
Email: Puawai.Wereta@vuw.ac.nz

Fa'afai Seiuli
Room 109 B
14 Kelburn Parade
Tel. (04) 463 5842
Email: Faafoi.Seiuli@vuw.ac.nz