

School of Accounting and Commercial Law

ACCY 306 FINANCIAL STATEMENT ANALYSIS

Trimester Two 2012

COURSE OUTLINE

Names and Contact Details

| | | | |
|-----------------------------------|---|--------|-----------------|
| Course Coordinator & Lecturer: | Dr Thu Phuong Truong ThuPhuong.Truong@vuw.ac.nz Office hours: TBA | RH 615 | 463 5233 (8961) |
| Lecturer: | Dr Noor Houqe Noor.Houqe@vuw.ac.nz Office hours: TBA | RH 712 | 463 5233 (6591) |
| Administrator: | Lucy May Lucy.May@vuw.ac.nz Office hours: Monday-Friday 8.30am-5pm Office is closed: 10.30-10.45am and 3.30-3.45pm | RH 708 | 463 5223 (5383) |

Trimester Dates

Teaching Period: Monday 16 July – Friday 19 October

Study Period: Monday 22 October – Thursday 25 October (Monday 22 October is a public holiday, Labour Day)

Examination Period: Friday 26 October – Saturday 17 November (inclusive)

Withdrawal from Courses:

1. Your fees will be refunded if you withdraw from this course on or before **Friday 27 July 2012**.
2. The standard last date for withdrawal from this course is **Friday 28 September**. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an '*Application for Associate Dean's Permission to Withdraw Late*' including supporting documentation.

The application form is available from either of the Faculty's Student Customer Service Desks.

Class Times and Room Numbers

Lectures

Mondays: 11.30 am -12.20 pm in GB LT2

Wednesdays: 11.30 am -12.20 pm in GB LT2

Tutorials

Tutorial groups, times and rooms will be provided on Blackboard during the second week of trimester.

Course Content

| Week | Commencing | Topic | Readings | Tutorials | Assignments |
|---------------------|--------------------|--|------------------------|-------------------|--------------|
| 1 | 16 July TPT | Introduction to Financial Statement Analysis | Penman, Chapters 1-2 | | |
| 2 | 23 July TPT | Valuation Models: Part 1 | Penman, Chapters 3-4 | | |
| 3 | 30 July TPT | Valuation Models: Part 2 | Penman, Chapters 5 | Tutorial 1 TPT | Assignment 1 |
| 4 | 6 August TPT | Valuation Models: Part 3 | Penman, Chapter 6 | Tutorial 2 TPT | |
| 5 | 13 August TPT | Analysis of Financial Statements: Part 1 | Penman, Chapters 8-9 | Tutorial 3 TPT | Assignment 2 |
| 6 | 20 August TPT | Analysis of Financial Statements: Part 2 | Penman, Chapters 10-11 | Tutorial 4 TPT | |
| MID-TRIMESTER BREAK | | | | | |
| 7 | 10 September NH | The Analysis of Profitability The Analysis of Growth and Sustainable Earnings | Penman, Chapters 12-13 | | Test |
| 8 | 17 September NH | The Analysis of Growth and Sustainable Earnings The Value of Operations and the Evaluation of Enterprise Price-to-Book Ratios and Price-Earnings Ratios | Penman, Chapters 13-14 | Tutorial 5 NH | |
| 9 | 24 September NH | Anchoring on the Finance Statements: Simple Forecasting and Simple Valuation | Penman, Chapters 15 | Tutorial 6 NH | Assignment 3 |
| 10 | 1 October NH | Full-Information Forecasting, Valuation, and Business Strategy Analysis | Penman, Chapter 16 | | |
| 11 | 8 October NH | Creating Accounting Value and Economic Value Analysis of the Quality of Financial Statements | Penman, Chapter 17-18 | Tutorial 7 NH | Assignment 4 |
| 12 | 15 October NH | The Analysis of Equity Risk and Return The Analysis of Credit Risk and Return. | Penman, Chapters 19-20 | Tutorial 8 NH | |

TPT = Dr Thu Phuong Truong; NH = Dr Noor Houqe

Tutorials

Tutorial questions will be available on Blackboard at least one week in advance. Please ensure that you have thoroughly read and worked through the assigned tutorial questions prior to your tutorial. Tutorial solutions will be provided on Blackboard after the tutorials.

Course Learning Objectives

By the end of this course, students should be able to:

1. Explain key concepts, principles and relationships in financial statement analysis
2. Explain the principles of valuation
3. Apply the concepts of risk analysis
4. Adapt and apply those principles and concepts to the valuation of a real firm

Course Delivery

The course delivery comprises two hours of lectures each week combined with a one hour tutorial (in weeks 3, 4, 5, 6, 8, 9, 11 and 12). Students are expected to complete four individual assignments. Assignments 1 and 2 are based on weeks 1 to 6 of the course and assignments 3 and 4 are based on weeks 7 to 12 of the course.

Expected Workload

Being a 15 point stage three course it is expected that the total workload for this course will be 150 hours. Spread over the 15 weeks comprising the 12 teaching weeks, mid-trimester break and study break, this gives an average of 10 hours per week.

Readings

Required text:

Penman, S., *Financial Statement Analysis and Security Valuation*, McGraw-Hill Irwin, New York, 5th edition, 2013 (Penman).

Strongly recommended:

Palepu, K.G., P. M. Healy, V. L. Bernard, S. Wright, M. Bradbury and P. Lee, *Business Analysis and Valuation Using Financial Statements, Text and Cases*, Cengage Learning, South-Western, 1st edition, 2010.

Additional readings:

Additional readings will be made available on Blackboard.

Materials and Equipment

In the test and final examination students will be permitted to use only silent non-programmable calculators or silent programmable calculators with their memories cleared.

Assessment Requirements

The course assessment will be as follows:

| Component | Weight | Due Date | Course Learning Objectives |
|-----------------------------|--------|---|----------------------------|
| Assignment 1 | 5% | Friday 3 August 2012– 2.00pm | 1 and 2 |
| Assignment 2 | 5% | Friday 17 August 2012 – 2.00pm | 1 and 2 |
| Assignment 3 | 5% | Friday 28 September 2012 – 2.00pm | 3 and 4 |
| Assignment 4 | 5% | Friday 12 October 2012 – 2.00pm | 3 and 4 |
| Test (2 hours) | 40% | Tuesday 11 September 2012 – 6.00-8.00pm – Rutherford House Lecture Theatre 1 (RH LT1) | 1 and 2 |
| Final examination (2 hours) | 40% | TBA | 1, 2, 3 and 4 |

Note: Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCom programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

Tutorial Group Sign-up

You will be given the opportunity to sign up for one tutorial group on a first-come-first-served basis. Detailed tutorial sign-up instructions are given on page 6 and on Blackboard.

The completed tutorial group lists will be available during the second week of the trimester. Subsequent changes can only be made if the course administrator agrees.

Examinations

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period.

The final examination for this course will be scheduled at some time during the period **Friday 26 October – Saturday 17 November (inclusive)**.

Penalties

No assignments will be accepted for assessment purposes after the deadline of 2 pm on the relevant date, unless accompanied by certification by a doctor or by prior arrangement.

Mandatory Course Requirements

None.

Class Representative

A class representative will be elected in the first class, and that person's name and contact details will be available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

Communication of Additional Information

Notices will be posted on Blackboard to which all students have access. Urgent notices will be circulated by email.

Once you have registered for this course you should be able to connect to Blackboard at <http://blackboard.vuw.ac.nz>. If you are not registered, please contact the FCom office on the ground floor of the Rutherford House, Pipitea Campus. If you cannot access Blackboard after 48 hours, please come to our school office at RH708 where we can enrol on Blackboard.

Use of Turnitin

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and subject to checking by Turnitin. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

For the following important information follow the links provided:

Academic Integrity and Plagiarism

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

General University Policies and Statutes

Find key dates, explanations of grades and other useful information at

www.victoria.ac.nz/home/study

Find out about academic progress and restricted enrolment at

<http://www.victoria.ac.nz/home/study/academic-progress.aspx>

The University's statutes and policies are available at www.victoria.ac.nz/home/about/policy, except qualification statutes, which are available via the Calendar webpage at

<http://www.victoria.ac.nz/home/study/calendar.aspx> (See Section C).

Further information about the University's academic processes can be found on the website of the Assistant Vice-Chancellor (Academic) at

www.victoria.ac.nz/home/about_victoria/avcacademic/default.aspx

AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support

http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx

Faculty of Commerce Office

<http://www.victoria.ac.nz/fcom/studenthelp/>

Te Putahi Atawhai

Maori and Pacific Mentoring Programme

<http://www.victoria.ac.nz/tpa/>

Detailed Tutorial Signup Instructions

1. Go to the signup website at: <https://signups.victoria.ac.nz>
2. Enter your SCS username and password to login the system.
3. The “Signup Home” page opens. It displays all courses you are enrolled for and that use the S-Cubed Tutorial & Workshop Signup system. Click on the course you wish to sign up for.
4. The selected course page opens. It will show the course contact and brief details of the signup instructions. A “key” is provided at the bottom that explains all buttons and what they do.
5. The schedule of tutorials includes the day/time, location, maximum group size, and spaces left in the tutorial sessions.
6. If there are spaces left in a particular session, you will see the “ENROL” button next to it. You can click this button to enrol yourself into that tutorial session.
7. If there are NO more spaces left in a particular session, you will see the “JOIN WAITLIST” button, if available. You can click this button to join the waitlist for that tutorial session. Please note that you will be removed from any other waitlist you may have joined earlier. If somebody withdraws from this session, you will automatically be moved up the waitlist or enrolled into the session. In this case you are enrolled in the session; an email will be sent to you if you are enrolled into the session from a waitlist.
8. You can only “JOIN WAITLIST” if you have already enrolled in one of the other available sessions. In other words, “ENROL” in one session and then you can choose to join the waitlist for another preferred session.
9. You can choose to “WITHDRAW” from a session you have already enrolled for. You can also choose to “CANCEL WAITLIST” to remove yourself from a particular waitlist.
10. A “FULL” button indicates all seats and waitlist are full for that tutorial session. You must choose another session.
11. More details on the various buttons are available in the “Key” section at the bottom of the signup page.
12. You should “ENROL” in only ONE tutorial session and may “JOIN WAITLIST” for only ONE other tutorial session.
13. You can login and signup (or change your signup) anytime before the **closing date of the tutorial signup. You will NOT be able to sign up or change your choice after the tutorial signups have closed.**
14. You can view/confirm details of the sessions you are enrolled and waitlisted for, such as day/time and location by clicking on “My Signups” on the left hand menu.
15. Click on “Support” on the left hand menu if you are having problems.

This online signup system is available around the clock over the internet. Any requests after this date will need to be manually handled by the course administrator. You will need to submit a written application stating the reason why you were not able to sign up on time using the online system, along with other relevant documentation such as medical certificate etc.

Finally, **you must always attend the tutorial sessions that you have signed up for.** If you attend a different session, your attendance may not be recorded.