



Korea University International Winter Campus (KU IWC) 2021-2022

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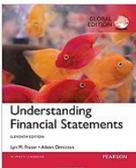
December 27, 2021 ~ January 14, 2022

IWC394 – Financial Statement Analysis

I . Instructor

Professor	:	Mark Davison BSc (hons.) FCA PhD
E-mail	:	markdavisonfca@gmail.com
Home Institution	:	Brunel University London
Class Time	:	9.00 am – 11.40 am
Office	:	TBA
Office Hours	:	I am always available online outside of formal classes

II . Textbook

<p>IMPORTANT – I recommend text 1. for students who have not previously studied Introduction to Accounting or Principles of Accounting before.</p> <p>I recommend text 2. for students who have previously studied either Corporate Finance or Principles of Finance</p> <p>We use both texts throughout the course but acquiring the text is not compulsory</p>	<p>1. Understanding Financial Statements - Global Edition by Lyn M. Fraser and Aileen Ormiston, 11th edition (Harlow: Pearson, 2016). ISBN: 9781292101552</p>  <p>2. Financial Statement Analysis and Security Valuation - International Edition by Stephen Penman, 5th edition (New York: McGraw-Hill Irwin, 2013). ISBN 978-007-132</p> 	
Course Reader	:	A course e-reader containing three sets of financial statements will be used during class. These will be provided electronically on Blackboard.
Workbook	:	To help consolidate and apply your learning, you will be provided with a bespoke e-workbook for this course

III. Course Description and Objectives

One of the most important business skills to learn is the ability to properly read, analyse and interpret a company's financial statements. You will learn these skills on this course.

This course is both theoretical and practical and focuses on the most important aspects of accounting, analysis, and valuation. Both engaging and relevant, the course uses contemporary case studies of well-known companies. Even if you have no financial/accounting knowledge or experience, you can do well on this course and the learning will be valuable and complimentary to your own major.

You will collaborate extensively with your international peers to prepare a comprehensive analysis and presentation of a company of your group's choice. Such interaction will take place during and outside of class and may take place in a physical classroom or online. Your instructor will regularly promote and support such collaborative activities, helping you develop your research, analytical, presentation and communication competencies in an international and intercultural environment.

Objectives

By the end of this course you will have:

1. A good understanding of the basic workings of the financial markets and the principles of value investing
2. Identified the strategies used by businesses for the creation and growth of shareholder value
3. An understanding of the foundations, purposes, strengths and weaknesses of financial statements
4. Used financial statements to identify, analyse and interpret financial and cash flow performance
5. Identified and understood company assets and the liabilities and equity that finance them
6. Created excel-based tools commonly used by investment banks, consultants and accountants
7. Prepared different company valuations based on both operating income and cash flow forecasts
8. Acquired relevant academic competencies and transferable skills

IV. Grading

Attendance	:	10% (see note below)
Participation	:	10% (see note below)
Presentation	:	40%
Final Examination	:	40%

V. Class Outline

Date	Topic	Chapter	Class No.
Dec 27 (Mon)	Introduction to the course; Warren Buffett and the concept of value investing	-	1
Dec 28 (Tue)	Introduction to Investment and the capital markets	-	2
Dec 29 (Wed)	Financial statements – an overview	1	3
Dec 30 (Thu)	Financial statements – an overview (continued)	1	4
Dec 31 (Fri)	The Balance Sheet	2	5
Jan 1 (Sat)			
Jan 2 (Sun)			
Jan 3 (Mon)	The Income Statement	3	6
Jan 4 (Tue)	The Statement of Stockholders' Equity	3	7
Jan 5 (Wed)	The Statement of Cash Flows	4	8
Jan 6 (Thu)	Analysis of financial statements	5	9
Jan 7 (Fri)	Earnings-based and free cash flow valuation	-	10
Jan 8 (Sat)			
Jan 9 (Sun)			
Jan 10 (Mon)	Group and individual case study-based presentations		11
Jan 11 (Tue)	Group and individual case study-based presentations		12
Jan 12 (Wed)	Group and individual case study-based presentations and revision		13
Jan 13 (Thu)	Final examination		14
Jan 14 (Fri)	Course conclusion and graduation		15

Note

Please note that:

- (a) The above class outline may change slightly but the course content will remain the same.
- (b) Before each class 1-10, you will be provided with a section of a workbook containing financial analysis practice and other short exercises for in-class completion, to help you consolidate and apply your learning. After completing 10 classes (either in-person or online), you should have fully completed your workbook and will submit a copy of this for the award of attendance and participation marks.