

Annexe A: New/Revised Course Content in OBTL+ Format

Course Overview

The sections shown on this interface are based on the templates [UG OBTL+](#) or [PG OBTL+](#)

If you are revising/duplicating an existing course and do not see the pre-filled contents you expect in the subsequent sections e.g. Course Aims, Intended Learning Outcomes etc. please refer to [Data Transformation Status](#) for more information.

Expected Implementation in Academic Year	AY2024-2025
Semester/Trimester/Others (specify approx. Start/End date)	Semester 1
Course Author * Faculty proposing/revising the course	Patricia Tan Mui Siang
Course Author Email	amstan@ntu.edu.sg
Course Title	Accounting Analysis and Valuation
Course Code	AC3103
Academic Units	4
Contact Hours	52
Research Experience Components	

Course Requisites (if applicable)

Pre-requisites	AC2101 Accounting Recognition and Measurement
Co-requisites	
Pre-requisite to	
Mutually exclusive to	
Replacement course to	
Remarks (if any)	

Course Aims

There are two parts to this course. Part 1 examines the role of financial reporting in the functioning of capital markets and focuses on identifying, assessing and applying information for the purposes of analyzing and valuing business activities and entities. Part 2 focuses on the valuation issues following mergers and acquisitions, namely valuation of intangibles and impairment testing of goodwill.

Course's Intended Learning Outcomes (ILOs)

Upon the successful completion of this course, you (student) would be able to:

ILO 1	Explain the rationales and characteristics that underlie financial reporting and the workings of capital markets
ILO 2	Analyze relevant information for the purpose of equity valuation and apply valuation models for equity valuation
ILO 3	Apply valuation models to the valuation of intangibles and the impairment testing of goodwill

Course Content

1. Introduction to valuation theory and concepts
2. The value relevance of accounting information
3. The valuation approach to decision usefulness
4. The efficient contracting approach to decision usefulness
5. Earnings management and standard setting
6. Business analysis and valuation process: Strategy analysis, Accounting analysis, Financial analysis, Prospective analysis
7. Valuation of intangibles
8. Impairment testing of goodwill

Reading and References (if applicable)

Main Text

PHP Palepu, Healy and Peek, Business Analysis and Valuation: IFRS Edition, 6th Edition. Cengage Learning, 2022 (Call No: HF5681.V3P156f 2022)

Other references

NCKL Ng, Choo, Koh & Low, A Practical Guide to Financial Reporting Standards (Singapore) 7th edition. CCH Asia, 2018. (Call No: HF5681 B2N576p 2018).

Revsine Revsine, et al, Financial [Reporting](#) and Analysis 7th edition, McGraw-Hill, 2018 (Call No: HF5681.B2R454 2018)

PH Palepu and Healy, Business Analysis and Valuation: Using Financial Statements, International Edition. 5th Edition. Cengage Learning, 2013 (Call No: HF5681.V3P156 2013).

Planned Schedule

Week or Session	Topics or Themes	ILO	Readings	Delivery Mode	Activities
1	Introduction to Valuation Theory and Concepts Valuation Approaches Residual Income Model	Explain the different approaches to equity valuation. Describe the relationship between financial reporting and equity valuation using the residual income model.	PHP: Ch 1 Ch 7 (brief overview) The Conceptual Framework for Financial Reporting IFRS – Accounting information still matters to you, me and investors around the world: https://www.ifrs.org/news-and-events/2018/08/ann-tarca-cpa-lecture-check-the-numbers/	In-person	
2	The Value Relevance of Accounting Information Valuation under	Explain the role	PHP: Ch 1 Ch 7 (brief overview)	In-person	

Week or Session	Topics or Themes	ILO	Readings	Delivery Mode	Activities
	<p>ideal and non-ideal conditions. Efficient markets and implications for financial reporting. The roles of accounting information in capital markets and other settings. The Valuation Approach to Decision Usefulness Evidence against efficient markets. Market inefficiency and its implications for financial reporting. Valuation Approach to Decision-Usefulness - Fair value Accounting - Value in use</p>	<p>of accounting information as a part of an information system useful for decision making. Explain the concepts of efficient markets and the value relevance of accounting information. Summarize</p>	<p>Hoogervorst (2012), "The imprecise world of accounting", speech in the International Association for Accounting Education & Research (IAAER) conference in Amsterdam.</p> <p>White, Sondhi & Fried, The Analysis and Use of Financial Statements. 3rd Edition. Wiley, 2002:</p> <p>Ch 5 Empirical Research: Implications for FSA</p> <p>SFRS(I) 13 (para. 1-33 & 61-91)</p>		

Week or Session	Topics or Themes	ILO	Readings	Delivery Mode	Activities
		empirical research supporting the decision-usefulness approach to financial reporting. Interpret the empirical evidence against market efficiency. Describe some concepts in behavioural finance and evaluate			

Week or Session	Topics or Themes	ILO	Readings	Delivery Mode	Activities
		the resulting implications for financial reporting. Explain the concepts, complexities and implications of fair value accounting.			
3	The Efficient Contracting Approach to Decision Usefulness (Positive Accounting Theory) Contractual incentives to manage earnings Patterns of earnings management Earnings Management	Describe the use of accounting information in contracts and their impli	Revsine: Ch 7 Collingwood (2001). "The Earnings Game: Everyone Plays, Nobody Wins" Harvard Business Review Vol 79(6): 65-74 Websites (Hyperlinked): ASC ACRA IAS Plus IFRS – Working in the public interest: https://www.ifrs.org/-/media/feature/about-us/who-we-are/working-in-the-public-interest.pdf	In-person	

Week or Session	Topics or Themes	ILO	Readings	Delivery Mode	Activities
	<p>Capital market incentives to manage earnings Two contrasting views of earnings management: Efficient and opportunistic Standard Setting</p>	<p>ations on management accounting policy choice. Describe the various patterns of earnings management. Evaluate capital market incentives to manage earnings. Describe what managers may do to</p>			

Week or Session	Topics or Themes	ILO	Readings	Delivery Mode	Activities
		<p>meet capital market expectations. Explain the efficient and opportunistic views of earnings management.</p> <p>· Evaluate the economic and political underpinnings of accounting regulation and their influence</p>			

Week or Session	Topics or Themes	ILO	Readings	Delivery Mode	Activities
		<p>on the preparation of accounting information. Describe the standard setting process in Singapore.</p>			
4	<p>Introduction to Fundamental Analysis Strategy Analysis Nonfinancial information Operating And Financial Review Sustainability reports Case study</p>	<p>Outline the framework for fundamental analysis. Explain why strategy analysis is important</p>	<p>PHP: Ch 2</p> <p>Handout on Strategy Analysis, OFR and Sustainability reporting</p> <p>Singapore Code of Corporate Governance 2018</p> <p>SGX: Guide For Operating And Financial Review</p>	In-person	

Week or Session	Topics or Themes	ILO	Readings	Delivery Mode	Activities
		<p>in business analysis and valuation. Discuss the usefulness of the operating and financial review and analyze the significance on the equity valuation process. Discuss the usefulness of sustainability and</p>	<p>ASC Practice Statement on Management Commentary</p> <p>SGX Sustainability reporting guide</p> <p>ISCA Climate Disclosure Guide, pp. 7-12</p> <p>IFRS S1 and S2 Project Summary (June 2023)</p> <p>Investor Guide to Reading Sustainability Reports</p> <p>Making sense of the increasingly demanding sustainability disclosure environment, ISCA Journal, August 2022, pp. 52-55.</p>		

Week or Session	Topics or Themes	ILO	Readings	Delivery Mode	Activities
		integ rated repo rting and analy ze the impa ct of corp orate socia l perf orma nce on the equit y valua tion proc ess. Dem onstr ate the appli catio n of strat egy analy sis thro ugh case stud y.			

Week or Session	Topics or Themes	ILO	Readings	Delivery Mode	Activities
5	Accounting Analysis Overview of accounting analysis Factors affecting the quality of accounting information	Assess the usefulness and limitations of accounting information in reflecting business reality. Identify and adjust for accounting distortions	PHP: Ch 3 and 4	In-person	

Week or Session	Topics or Themes	ILO	Readings	Delivery Mode	Activities
6	Accounting Analysis Earnings per Share (EPS)	Understand and compute basic and diluted EPS.	NCKL FRS 33 SFRS(I) 1-33 EPS Illustration	In-person	
7	Financial Analysis Introduction and overview Operating management Investment management Financial management ROE decomposition and analysis Case study	Analyze how well a firm manages its operating, investment and financing activities. Use a case study to apply FSA	PHP: Ch 5	In-person	
8	Financial Analysis In-class exercise Analysis of Earnings Quality	Interpret financial	PHP: Ch 5 Handout on Analysis of Earnings Quality	In-person	

Week or Session	Topics or Themes	ILO	Readings	Delivery Mode	Activities
		num bers and ratio s and relat e to oper ating char acter istics of busi ness es Desc ribe sensi tive situa tions wher e mani pulat ion of finan cial state ment s is more likely . Diag nose and asses s the quali ty of finan cial state			

Week or Session	Topics or Themes	ILO	Readings	Delivery Mode	Activities
		ment s.			

Week or Session	Topics or Themes	ILO	Readings	Delivery Mode	Activities
9	Prospective Analysis: Valuation Theory and Models Valuation models Valuation ratios End-of-period discounting and mid-period discounting Prospective Analysis: Forecasting Key value drivers Forecasting horizons Terminal value	Apply the various valuation models and illustrate their computation in equity valuation. Describe and explain the drivers of valuation ratios. Illustrate the key elements to be forecasted for firm valuation.	PHP: Ch 6, 7 and 8	In-person	

Week or Session	Topics or Themes	ILO	Readings	Delivery Mode	Activities
10	Prospective Analysis: Case Study using RI and Discounted Cash Flow Model Various issues in Valuation Capital Structure Cost of Capital Corporate communication	Learn the mechanics of using RI model and DCF model for equity valuation using a case study Explain how the use of debt affects equity valuation through ROE and cost of capital. Describe vario	PHP: Ch 6, 7, 8 and 9 PH: Ch 12 Singapore Code of Corporate Governance 2018	In-person	

Week or Session	Topics or Themes	ILO	Readings	Delivery Mode	Activities
		<p>us corp orate com muni catio n alter nativ es. Expl ain how corp orate gove rnan ce mec hanis ms affec t the quali ty of acco untin g infor mati on. Expl ain the roles and mec hanis ms of corp orate com muni catio n, corp</p>			

Week or Session	Topics or Themes	ILO	Readings	Delivery Mode	Activities
		<p>orate governance, and investors relations in the equity valuation process.</p>			
11	<p>Mergers and Acquisitions Motivation for acquisition The pricing of offers Business combinations and acquisition accounting Valuation of Intangibles Impairment testing of goodwill</p>	<p>Assess if merger creates value for acquiring firm's stockholders. Describe the accounting treatment of assets acquired</p>	<p>PHP: Ch 11 Handout on Business Combinations SFRS(I) 3 Business Combinations SFRS(I) 13 Fair Value Measurement Handout on Valuation of Intangibles SFRS(I) 1-38 Intangible Assets IVS 210 Intangible Assets Handout on Impairment Testing of Goodwill SFRS(I) 1-36 Impairment of Assets Purchase Price Allocation arising from M&A: A look at the healthcare industry, ISCA Journal, August 2021, pp. 47-51.</p>	In-person	

Week or Session	Topics or Themes	ILO	Readings	Delivery Mode	Activities
		<p>red as part of a business combination, and goodwill arising from consolidation, and critically assess the implications on the usefulness of financial statements.</p> <p>Examine how intangibles are valued</p> <p>To examine</p>			

Week or Session	Topics or Themes	ILO	Readings	Delivery Mode	Activities
		the impairment of goodwill arising from consolidation and examine the impact on the usefulness of financial statements			
12	Valuation of Intangibles Impairment testing of goodwill	To apply the appropriate valuation models to the valuation of different types of	Handout on Valuation of Intangibles SFRS(I) 1-38 Intangible Assets IVS 210 Intangible Assets Handout on Impairment Testing of Goodwill SFRS(I) 1-36 Impairment of Assets	In-person	

Week or Session	Topics or Themes	ILO	Readings	Delivery Mode	Activities
		intangible assets To examine the impairment of goodwill arising from consolidation and examine the impact on the usefulness of financial statements			

Week or Session	Topics or Themes	ILO	Readings	Delivery Mode	Activities
13	Review M&A, valuation of intangibles and Impairment testing of goodwill Putting it all together	Integrate materials learnt in the course Roles of financial reporting Fundamental analysis Valuation of intangibles Goodwill impairment testing	S11 readings	In-person	

Learning and Teaching Approach

Approach	How does this approach support you in achieving the learning outcomes?
Pre-seminar exercises, e-lectures, and LAMS activities	<p>The pre-seminar exercises, e-lectures, and LAMS activities allow you to acquire the basic knowledge that you need before you attend seminars to gain more in-depth understanding of the concepts.</p> <p>Each e-lecture consists of a series of short video recordings of lectures followed by graded LAMS activities between videos to reinforce self-learning. You must complete the online graded activities within a defined window period.</p>
seminars	<p>The interactive seminars provide opportunities for open discussion, which will encourage you to think critically and share your ideas with the class.</p>
Written Assignment	<p>This assignment involves the analysis and valuation of a company. It requires you to analyze information and apply the business analysis and valuation process to a Singapore Exchange-listed company.</p> <p>As this is a team assignment, all members are required to complete a Confidential Peer Evaluation Form via Eureka. Please see Appendix 4 for the Peer Evaluation Form.</p> <p>Your ratings are confidential and will not be revealed to your team members. Team members will only be able to see the average rating given by his/her team members.</p> <p>We will use your ratings to grade the performance of your team members by averaging the rating from all the team members. The group assignment marks for each team member will be computed as follows (on a scale of 1 to 10):</p> <ol style="list-style-type: none"> 1. If the average rating of the individual is 7 or more (i.e., average score ≥ 7), the individual will receive 100% of the team's marks. 2. If the average rating of the individual is between 4 and 7 (i.e., $4 < \text{average score} < 7$), the individual will receive 80% of the team's marks. 3. If the average rating of the individual is between 3 and 4 inclusive (i.e., $3 \leq \text{average score} \leq 4$), the individual will receive 50% of the team's marks. 4. If the average rating of the individual is less than 3 (i.e., average score < 3), the individual will receive 30% of the team's marks.

Assessment Structure

Assessment Components (includes both continuous and summative assessment)

No.	Component	ILO	Related PLO or Accreditation	Weightage	Team/Individual	Rubrics	Level of Understanding
1	Summative Assessment (EXAM): Final exam(Final Examination]	ILO1, ILO2, ILO3	Critical Thinking, Acquisition of knowledge, Problem solving & decision making	55	Individual		
2	Continuous Assessment (CA): Class Participation(Class Participation)	ILO1, ILO2, ILO3	Oral communication, Motivation, Critical Thinking, Acquisition of knowledge	15	Individual		
3	Continuous Assessment (CA): Presentation(Team Presentation and Discussion)	ILO1, ILO2, ILO3	Oral communication, Critical Thinking, Acquisition of knowledge	10	Team		
4	Continuous Assessment (CA): Assignment(LAMS Activities)	ILO1, ILO2, ILO3	Acquisition of knowledge	5	Individual		
5	Continuous Assessment (CA): Assignment(Written Assignment)	ILO1, ILO2	Acquisition of knowledge, Critical Thinking and Written communication	15	Team		

Description of Assessment Components (if applicable)

Formative Feedback

You will receive formative feedback through written responses to your assignments and verbal feedback through in-class discussion. You will receive summative group feedback on the exam following the conclusion of the module.

NTU Graduate Attributes/Competency Mapping

This course intends to develop the following graduate attributes and competencies (maximum 5 most relevant)

Attributes/Competency	Level
Collaboration	Basic
Communication	Intermediate
Critical Thinking	Intermediate

Course Policy

Policy (Academic Integrity)

Good academic work depends on honesty and ethical behaviour. The quality of your work as a student relies on adhering to the principles of academic integrity and to the NTU Honour Code, a set of values shared by the whole university community. Truth, Trust and Justice are at the core of NTU's shared values. As a student, it is important that you recognize your responsibilities in understanding and applying the principles of academic integrity in all the work you do at NTU. Not knowing what is involved in maintaining academic integrity does not excuse academic dishonesty. You need to actively equip yourself with strategies to avoid all forms of academic dishonesty, including plagiarism, academic fraud, collusion and cheating. If you are uncertain of the definitions of any of these terms, you should go to the academic integrity website for more information. On the use of technological tools (such as Generative AI tools), different courses / assignments have different intended learning outcomes. Students should refer to the specific assignment instructions on their use and requirements and/or consult your instructors on how you can use these tools to help your learning. Consult your instructor(s) if you need any clarification about the requirements of academic integrity in the course.

Policy (General)

You are expected to complete all assigned pre-class readings and activities, attend all seminar classes punctually and take all scheduled assignments by due dates. You are expected to take responsibility to follow up with seminar discussions and course related announcements for seminar sessions you have missed. You are expected to participate in all seminar discussions and activities.

Policy (Absenteeism)

Being absent from seminar class without a valid reason will affect your overall course grade. Valid reasons include falling sick supported by a medical certificate and participation in NTU's approved activities supported by an excuse letter from the relevant bodies. If you have a valid reason to be absent, you must inform the course instructor via email prior to the start of the seminar class.

Policy (Others, if applicable)

You are expected to complete all assigned pre-class readings and activities, attend all seminar classes punctually and take all scheduled assignments and tests by due dates. You are expected to participate in all seminar discussions and activities.

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Last Updated By: Koh Yi Jing