

**NANYANG TECHNOLOGICAL UNIVERSITY
NANYANG BUSINESS SCHOOL**

BF2101 FINANCIAL STATEMENT ANALYSIS

A) Course Aims/Description

The course aims to equip students with the tools and techniques to become informed users of financial statement information. Students will learn fundamental accounting principles, understand a wide range of business transactions, and appreciate how users such as equity investors, creditors, financial analysts and managers employ financial accounting information for decision making. Students will also examine the impact of different accounting choices on reported earnings, assets, liabilities and shareholders' equity. By integrating the knowledge of accounting, finance and economics, students will achieve a holistic view on how business transactions are accounted for and the strategic implications of financial statement information. Students will develop skills in analysing financial statements for investment, credit and other business decisions.

Throughout the course, real-world applications will be provided to enhance students' learning. Due to large similarities among US Financial Reporting Standards (US GAAP), International Financial Reporting Standards (IFRS) and Singapore Financial Reporting Standards (International) (SFRS (I)) for most of the topics covered in this course, we will focus on SFRS (I). Any major differences between SFRS (I) and IFRS (and/or US GAAP) will be highlighted where appropriate. In summary, this course aims to provide students with a strong technical foundation in financial statements analysis from the user perspective.

B) Intended Learning Outcomes (ILO)/Objectives

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

- (a) Explain what financial statements are and how the major elements of financial statements are recognised, measured and reported
- (b) Perform financial statements analysis for a wide range of decisions
- (c) Develop practical business skills such as problem solving, decision making, team work, communication, presentation, inquiry and analysis.

C) Course Content

1. Introduction to financial statements analysis
2. Role of financial information in valuation and credit risk assessment
3. Income determination and accounts receivable
4. Inventories
5. Long-lived assets
6. Liabilities
7. Leases
8. Owners' equity
9. Income tax and deferred tax
10. Consolidated accounts

D) Assessment (includes both continuous and summative assessment)

Component	Weightage %	Team/Individual
Class Participation	10%	Individual
Group Presentation (every group member must present)	10%	Team
Quiz (closed book)	30%	Individual
Final Exam (closed book)	50%	Individual

E) Proposed Weekly Schedule

Week	Topic
1	Introduction to Financial Statement Analysis Role of Financial Information in Valuation and Credit Risk Assessment
2	The Role of Financial Information in Contracting
3	Income determination and account receivables Inventories
4	Long-lived Assets
5	Liabilities
6	Leases
7	Financial Reporting for Owners' Equity
8	Quiz 1
9	Analysis of Income tax
10	Inter-corporate Equity Investments Part I
11	Inter-corporate Equity Investments Part II
12	Quiz 2
13	Review and discussion of quiz 2 Course review