# Accounting for investor relations

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***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course provides students with an in-depth understanding of how accounting and other financial and non-financial information needed to assess a company's health is created and communicated by a company's management, examining how critical management decisions affect the final interpretation of such information by external users such as investors, analysts and financial media.

Students are expected to acquire adequate knowledge of the following topics:

– reading of the financial statements prepared in accordance with international accounting standards;

– understanding of the most relevant areas of earnings management (provisions, impairment test, fair value measurement, business combinations, group accounts);

– knowledge of the most used non-GAAP measures (EBIT, EBITDA, PFN, NIC);

– adoption of business evaluation techniques (DCF, multiples of comparable entities) used in financial communication (earnings guidance, equity research, press releases, road shows);

***COURSE CONTENT***

1. *Financial Reporting: general theory and content.*

– Balance sheet, Income statement and cash flow statement outlines.

– Notes to the financial statement and management report.

– Earnings management in financial statements.

2. *From Financial Reporting to Business Valuations*.

– Non-GAAP measures and alternative performance measures.

* From accounting performance to value creation performance.

– Business evaluation techniques (DCF and multiples).

1. *Investor Relations in action*

– What is Financial Communications

* Instruments of Financial Communication
* IR in ordinary and extraordinary activities
* The role of the IR unit in global Financial Institutions

***READING LIST[[1]](#footnote-1)***

A. V. Laskin (Editor), The Handbook of Financial Communication and Investor Relations, Wiley, 2017.

The exam preparation will be supplemented with the material made available to students through the Blackboard platform (lesson slides and other documentation).

***TEACHING METHOD***

Lessons and practical exercises are carried out with the aid of slides and other supporting material. The slides are made available to students through the Blackboard platform before each lesson.

Regular class attendance and completion of the assignments are considered essential for enabling the student to pass the course.

***ASSESSMENT METHOD AND CRITERIA***

The exam is written and includes three questions. The first question (the passing of which is a necessary condition for the correction of the other two), consists of an exercise related to points 2 and 3 of the course contents. The other two questions are aimed at verifying the level of knowledge acquired on both general and applicative aspects relating to all the course contents.

Students pass the test if they achieve, in any case, a score of at least 18/30 in each of the 3 questions.

The oral exam can be: a) requested by students who have passed the final written test, in case they believe that their preparation does not correspond to the test outcomes; b) requested by the lecturers.

***NOTES AND PREREQUISITES***

Access to the course does not require specific knowledge.

In the event that the health situation relating to the Covid-19 pandemic does not permit classroom teaching in attendance, distance learning will be guaranteed in a way that will be communicated to students. In this circumstance, the assessment methods could be updated for an adequate and correct distance assessment.

Further information can be found on the lecturer's webpage or on the Faculty notice board.

*Office hour*

Timetables and place of reception are communicated on the teachers' web page.

1. I testi indicati nella bibliografia sono acquistabili presso le librerie di Ateneo; è possibile acquistarli anche presso altri rivenditori. [↑](#footnote-ref-1)