# Reporting and Financial Statement Analysis

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

The main objective of the course is to develop students’ skills in preparing, analysing and interpreting financial statements from the standpoint of the international accounting standards. In this context, the course provides an understanding of the underlying concepts and the environment in which financial reports are prepared and how financial data are used for various types of decisions. In this respect, the different syllabus topics are developed also through numerical exercises, case discussions and analyses, and examples based on real cases.

At the end of the course, the student should acquire adequate knowledge about:

* preparation of the financial statements according to the international accounting standards;
* presentation and discussion of the main differences between IFRS and US GAAP;
* the valuation methods required in financial statements prepared in accordance with the international accounting standards;
* the accounting estimates made by managers when preparing the financial statements and its impact on them;
* the most used non-GAAP measures (e.g. EBIT, EBITDA, PFN);
* the main techniques and tools used in analysing financial statements.

***COURSE CONTENT***

1. *The institutional setting for Financial Reporting*

* Sources of laws/regulations of financial reports.
* International Accounting Standards (IAS/IFRS) and their application.
* Income and equity: concepts and characteristics.

2. *Financial reporting* *content*

– Financial reports structures and contents.

– Balance sheet, profit and loss account and cash flow statement outlines.

– Notes to the financial statement and management report.

3. *Valuations in financial accounts*.

– Assets valuation: tangible and intangible fixed assets, securities and shares, inventories, work in progress and trade receivables.

– Liabilities valuation: trade payables; provisions for risks and charges.

4. *Financial statement analysis*

– Non-GAAP metrics.

– Essentials of financial statements analysis.

– The role of financial information in assessing firms’ performance.

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

Revsine, L., Collins, D. W., Johnson, W. B., Mittelstaedt, F., & Soffer, L. C. (2021). Financial reporting and analysis. McGraw Hill. 8th Edition.

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

***TEACHING METHOD***

The course is articulated into a cycle of lectures held with the aid of slides and other supporting material. The slides are made available to students through the Blackboard platform before each lecture.

The course includes the performance of a cycle of exercises and business cases. The text of exercises and cases is made available to students through the Blackboard platform before the relevant discussion.

The students are engaged in teamworks of 4/5 students to perform a business case.

***ASSESSMENT METHOD AND CRITERIA***

The exam is structured into a written test divided into two parts. The first part consists of multiple-choice questions (both theoretical-general and applicative-quantitative) relating to all points of the course content; the second part of the exam consists of an exercise aimed at verifying the methodological application of the students’ acquired knowledge and specific competences on the operational aspects of the course content.

Students will pass the test if the scores obtained are at least 18/30 in each of the two parts of the exam.

At the end of the first module of the course students have the option to take an interim exam. In case of positive outcome of the interim exam, students will be exempt from taking the part of the final exam related to the contents included in the interim test.

At the end of the course students are required to present the teamwork. The teamwork aims at assessing the capability in discussing a business case and analyzing an annual report. Abilities of writing and communicating in the accounting professional field will be assessed as well. The teamwork will provide individual students with maximum 3 points to be added to the final mark obtained in the exam, when positive.

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

***NOTES AND PREREQUISITES***

Course attendance does not require any specific knowledge.

In case the current Covid-19 health emergency does not allow frontal teaching, remote teaching will be carried out following procedures that will be promptly notified to students.

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

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