# 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 (IAS/IFRS). The course aims to provide an understanding of the fundamental concepts and the context in which financial reports are prepared and how financial data is used through the techniques of financial statements analysis and their interpretation.

At the end of the course, students will have acquired adequate knowledge about:

* classification and valuation choices in drafting a financial statement;
* the financial statements analysis (by means of reclassification, calculation of ratios and calculation of flows).

To facilitate learning, the program covers various topics through exercises, business cases, and examples based on real-world situations. Additionally, teamwork will be organised and the outcome will be reflected in the final grade. By the conclusion of the course, students will be able to:

* prepare a financial statement according to the international accounting standards;
* apply the valuation methods required in financial statements prepared in accordance with the international accounting standards;
* understand the accounting estimates made by managers when preparing a financial statement;
* know the most used non-GAAP measures (e.g. EBIT, EBITDA, NFP, etc.);
* apply the main techniques and tools used in financial statements analysis.

***COURSE CONTENT***

1. *The institutional setting for financial reporting*

* Sources of laws/regulations of financial reports.
* International accounting standards 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*

– Introduction to the basics of financial statements analysis.

– A model for analysing a company’s financial situation, including profitability, liquidity, solvency amd growth.

– Techniques for analysing financial statements.

– Interpreting of company’s financial situation.

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

Alexander, D., Britton, A., Jorissen, A., Hoogendoorn, M. and Van Mourik, C., International Financial Reporting and Analysis. 8th edition, Cengage Learning, United Kingdom, 2021.

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

***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, included in the final grade.

***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 and applicative) 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 (assets and liabilities estimates and financial statements analysis).

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 2 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***

Knowledge of the main corporate transactions and their double-entry bookkeeping is required.

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)