**Company Methodologies and Quantitative Determinations (Consolidated Financial Statements and Balance Sheet Analysis)**

## Prof. Marco Giovanni Rizzo

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

The course aims to provide students with the concepts to deal with, on the one hand, the construction, reading and interpretation technique of consolidated financial statements and, on the other, the techniques and tools related to balance sheet analysis and financial statements.

At the end of the course, students:

1. will have acquired advanced knowledge on economic and business aspects of groups, consolidation theories, pre-consolidation operations, consolidation adjustments, main techniques for analysing financial statements (reclassifications, indices, flows) and creation of cash flow statements;
2. will be able to draw up financial statements, reclassify summary tables, create financial statement indices and cash flow statements;
3. will be able to critically interpret the economic and financial information of a group of companies and form independent judgements, systemic and integrated assessments about the space-time trends of the companies’ economic and financial performance;
4. will be able to clearly communicate with experts the determinations relating to the financial statements of groups of companies and opinions on corporate balances by proposing interdependent relationships between the various dimensions of analysis;
5. will have developed, thanks to the theoretical lectures and practical applications, the necessary learning skills to undertake their professional career with a high degree of autonomy.

***COURSE CONTENT***

The course is divided into the following modules:

*Module 1*: the objectives of balance sheet analysis, the prospects of internal and external analysts;

*Module 2:* reclassification of the profit and loss account and the statement of assests and liabilities; balance sheet analysis by means of indicators of stability, profitability, available funds and development and connections between the four dimensions of analysis;

*Module 3:* financial statements: meaning, structure and the ways of drawing one up.

*Module 4:* provisions regarding consolidated financial statements; groups of companies: aspects of corporate finance; documents which make up a consolidated financial statement, consolidated financial statement liability and the area of consolidation;

*Module 5*: consolidation theories and pre-consolidation operations;

*Module 6:* consolidation adjustments in the first year and subsequent years; constructing a consolidated financial statement.

***READING LIST***

C. Teodori, L’analisi di bilancio, Turin, Giappichelli (latest edition)

A. Prencipe-P. Tettamanzi-C. Mancini, Bilancio consolidato, Milan, Egea (latest edition)

A. Prencipe-P. Tettamanzi, Bilancio consolidato:Esercizi , Milan, Egea (latest edition).

During lessons, additional study material, reading list references and recommended reading will be made available on the Blackboard platform of the Catholic University in order to facilitate students’ learning.

***TEACHING METHOD***

The course is delivered in blended mode and includes face-to-face (50%) and remote (50%) activities. Remote activities include use of video lessons (asynchronous), tutorial webinars and live feedback (synchronous via web conference).

The course alternates lectures in the classroom and activities to be carried out online.

At a distance,students shall study the topics presented in the video lessons and the in-depth study material.

Participation in webinars (exercises) and feedback sessions is important for learning purposes.

***ASSESSMENT METHOD AND CRITERIA***

Students can opt for two different assessment methods: a) ongoing assessment or b) final summative assessment as explained below.

1. *Ongoing assessment*

For students who opt for the ongoing assessment: 70% of the assessment will be based on two tests (a test in class and a group assignment) delivered during the course for which instructions, content and timelines will be published in the Blackboard area reserved for students enrolled in the course; 30% of the assessment will be based on a final written test. The final exam may only be taken following a positive assessment on the tests delivered during the course. In order to pass the exam, the final test (to be held on one of the 3 official exam dates following the end of the course) must be passed.

*B) Final summative assessment*

Those students who opt for a single assessment on the exam official dates will take a written exam and an oral exam.

***NOTES AND PREREQUISITES***

*Preliminary knowledge*

A basic knowledge of content and main problems related to the preparation of financial statements. A knowledge of the technique of accounting records with the double entry method is a fundamental prerequisite.

Students who do not have this preliminary knowledge must acquire it through individual study in order to be able to fully understand the course content.

For this purpose, the following text in recommended:

G. Brunetti, *Contabilità e bilancio d’esercizio,* Etas, 2011.