# Company Methodologies and Quantitative Determinations (Advanced - 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 behind the creation, reading and interpretation of consolidated financial statements on the one hand, and the techniques and instruments for balance sheet and financial statement analysis on the other.

At the end of the course, students will be able to:

1. possess advanced knowledge on economic-corporate aspects of groups, consolidation theories, pre-consolidation operations, consolidation adjustments, the main techniques for analysing financial statements (reclassifications, indices, flows) and the creation of the financial statement;
2. draw up consolidated financial statements, reclassify summary tables, and construct financial statement ratios and a financial statement;
3. critically interpret the economic-financial information of an enterprise group, and formulate independent judgments, systemic and integrated assessments of the spatial-temporal trend of the companies' economic-financial performance;
4. clearly communicate to specialist interlocutors the quantitative determinations of financial statements from enterprise groups and the assessments of company balances, by proposing aspects of interdependence between the various analytical dimensions;
5. thanks to the theoretical lessons and practical applications, possess the learning skills necessary to undertake professional careers with a high degree of autonomy.

***COURSE CONTENT***

The course is divided into two modules. The following topics will be addressed in the first module:

* the enterprise group: business economic aspects;
* the documents making up the consolidated financial statement, the obligation to draw up consolidated financial statements and the consolidation area;
* consolidation processes and consolidation theories;
* pre-consolidation operations;
* consolidation adjustments in the first year and subsequent years;
* the construction of the consolidated financial statements.

The following topics will be addressed in the second module:

* objectives of the budget analysis: the perspectives of internal and external analysts;
* reclassification of the income statement;
* reclassification of the balance sheet;
* budget analysis through indicators solidity, profitability, liquidity and development indicators;
* connections between the four dimensions of analysis;
* cash flow statement. Meaning, structure, editing mode.

***READING LIST***

C. Teodori, *L’analisi di bilancio*, Turin, Giappichelli (latest edition) (Chapters: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10).

A. Prencipe-P. Tettamanzi-C. Mancini, *Bilancio consolidato*, Milan, Egea (latest edition) (Chapters: 1, 2, 3, 4, 5, 6, 7, 8).

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

Additional materials will be made available on the Blackboard platform.

***TEACHING METHOD***

The use of diversified methodologies is envisaged to promote the active participation of students. More specifically, in addition to theoretical lectures, the course includes intensive use of interactive practical lessons, case analyses and plenary reflective laboratories. The syllabus containing the course's analytical programme will be communicated on Blackboard.

***ASSESSMENT METHOD AND CRITERIA***

A final written exam. The exam focuses on theoretical questions (open-ended) and exercises. For their assessment, students may choose to take: (i) a general test in the exam sessions included in the academic calendar; (ii) two partial assessment tests which contribute equally to the determination of the final mark. The first partial test is taken during the week's lecture break dedicated to the partial tests. All students may participate in the first partial test. The second partial test, will be taken in exam sessions provided for in the academic calendar. A minimum mark of 18/30 is required to pass each of the partial tests. Students who pass the first partial assessment test must take the second partial test within the first exam session of the course session. Students who do not take or fail one of the two tests, or who don't accept the mark obtained in one of the two tests, take the general exam in the summer session. Detailed instructions on the methods for the aforementioned tests will be made available on Blackboard.

***NOTES AND PREREQUISITES***

Attendance at lectures and tutorials is strongly recommended. Use of the Blackboard IT platform is envisaged for activities such as distribution of materials, delivery of any documents, and communication of marks.

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG, or on the Faculty notice board