**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 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), (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).

***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).

***ASSESSMENT METHOD AND CRITERIA***

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

For students who opt for the ongoing assessment: 50% of the assessment will be based on two tests (an individual test in class worth 40% and a group assignment worth 10%) administered during the course for which instructions, content and timelines will be published in the Blackboard; 50% of the assessment will be based on a final written test. The final exam may only be taken following a passing mark on the tests taken 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. For students who opt for a single final assessment on the exam official dates, the exam is based on a written test (open-ended questions and exercises) on the entire programme.

***NOTES AND PREREQUISITES***

*Preliminary knowledge*

A basic knowledge of content and main problems related to the preparation of financial statements.