

Executive MBA Program
Summer 2022
ACC 910 – Financial Statement Analysis

Instructor: Emre Kilic
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Office Hours: By appointment

Type	Time	Day	Where
Class	18:30 – 22:00	Friday	Tuzla / Altunizade

Course Objective

The objective of the course is to increase understanding of financial statements in order to:

1. Understand firms' economic characteristics, financing and reporting decisions in association with industries/macroeconomic environments they operate in
2. Understand how firms operate and create value—with considerable emphasis on understanding how financial information helps us understand and guide operating decisions
3. Concisely articulate the firm's performance
4. Increase understanding and ability to use tools to analyze information presented in financial statements
5. Understand the benefits and limitations of financial information provided in financial statements
6. Understand the techniques used to manipulate/bias reported performance and the incentives underlying performance management/manipulation
7. Understand the firm and its financials to make informed predictions about future performance
8. Compare firms to their peers/competitors in terms of financial and operational performance

Learning Outcomes

Upon successful completion of the course, the student should be able to:

1. Assess short- and long-term credit risk of the firm
2. Measure the operating and aggregate performance of the firm
3. Identify the drivers of firm profitability
4. Assess the sustainability of the firm's profitability
5. Assess the cash flow generation ability of the firm

Course Material

Understanding Financial Statements by *Fraser Lyn M.* and *Ormiston Aileen* (ISBN-13: 978-0133874037)

Course Web

Assignments will be based on various publicly traded Turkish and American firms' financial statements. Their financial statements will be available at SUCourse.

Instructional Design

Slides will not be used in the lectures. Also, there will be no class notes to be distributed. Students will be responsible for taking their own notes. The course will be taught using a combination of examples and discussion questions.

Grading

Your course grade will be determined based on four assignments given throughout the course. The class has no exam. *Only one* assignment grade is to be dropped in case of absence. *Please do not ask for additional exclusions from a grade of zero.*

Academic Honesty

Learning is enhanced through cooperation and as such you are encouraged to work in groups, ask for and give help freely in all appropriate settings. At the same time, as a matter of personal integrity, you should only represent your own work as yours. Any work that is submitted to be evaluated in this class should be an original piece of writing, presenting your ideas in your own words. Everything you borrow from books, articles, or web sites (including those in the syllabus) should be properly cited. Although you are encouraged to discuss your ideas with others (including your friends in the class), it is important that you do not share your writing (slides, MS Excel files, reports, etc.) with anyone. Using ideas, text and other intellectual property developed by someone else while claiming it is your original work is *plagiarism*. Copying from others or providing answers or information, written or oral, to others is *cheating*. Unauthorized help from another person or having someone else write one's paper or assignment is *collusion*. Cheating, plagiarism and collusion are serious offenses that could result in an F grade and disciplinary action. Please pay utmost attention to avoid such accusations.

Classroom Policies and Conduct

Sabancı University values participatory learning. Establishing the necessary social order for a participatory learning environment requires that we all:

- Come prepared to make helpful comments and ask questions that facilitate your own understanding and that of your classmates. This requires that you complete the assigned readings for each session before class starts.
- Listen to the person who has the floor.

Course Schedule

Session 1	05/27/2022
<i>Topic</i>	Overview of Financial Statements and Current Topics
<i>Assignment</i>	-
Session 2	06/03/2022
<i>Topic</i>	Effects of Economy-wide, Industry-wide and Firm-Specific Factors on Financial Statements
<i>Assignment</i>	<i>Toyota, Roche, Nestle, Accor</i>
Session 3	06/10/2022
<i>Topic</i>	Credit Risk Analysis
<i>Assignment</i>	<i>Migros vs. Weis</i>
Session 4	06/17/2022
<i>Topic</i>	Profitability Analysis
<i>Assignment</i>	-
Session 5	06/24/2022
<i>Topic</i>	Profitability Analysis (continued)
<i>Assignment</i>	<i>Turk Traktor vs. AGCO</i>
Session 6	07/01/2022
<i>Topic</i>	Statement of Cash Flows and Cash Flow Analysis
<i>Assignment</i>	<i>Lucent Technologies</i>