**BA in Management Program
Fall 2022
ACC 405 –Financial Statement Analysis**

**Instructor** : Ali Çoşkun

**E-mail** : ali.coskun@boun.edu.tr

**Office hours** : by appointment

**Course Objective:**

|  |
| --- |
| The objective of this course is to understand how to read, interpret, and analyze financial statements. Throughout the course, we will use the financial statements of several real companies to illustrate concepts. Specifically, we will: (i) Understand accounting disclosures; (ii) Use accounting disclosures to adjust financial statements; (iii) Forecast future earnings using accounting disclosures; (iv) Value a firm using forecasts: (v) Understand how to read, interpret, and analyze financial statements; (vi) Analyze core issues and critical factors for managerial decision making; (vii) Recognize the ethical dilemmas, their causes and consequences; (viii) Critical and innovative thinking; (ix) Effective communication; (x) Implementation of ethical and socially responsible conduct; (xii) Broad understanding of core managerial functions and integration of these functions to solve organizational problems. |

**Course Description and Contents**:

This course provides a complete introduction to the subject with a comprehensive grounding to the main techniques and underlying concepts involved in the preparation and analysis of accounting statements. The course aims to deliver an understanding of how to read, interpret, and analyze financial statements, so that students can study the interrelationships between financial statement line items, use ratio analysis to understand and compare firms, understand accounting disclosures, forecast future earnings using accounting disclosures, and value a firm using forecasts.

**Learning Outcomes:**

Specific content is subject to change. The general progression of the course is divided into three sections, as follows:

In the first section of the course, we will revisit accounting concepts and refresh our knowledge of financial reporting. Specifically, we will:

• Review basic financial accounting concepts

• Become familiar with the information available to investors and analysts

In the second section, we will:

• Learn how to compute various financial ratios

• Understand the value of common-size financial statements in understanding the nature of a firm’s business

• Learn how ratios can be used to identify trends within a company over time and across firms within an industry

• Learn how to use financial ratios to assess a firm’s profitability and risk

• Learn how to interpret financial statement ratios • Learn how operating and financing activities affect inferences of financial statement ratios

• Learn how to adjust the financial statements to allow for cross-sectional comparison

In the third section, we will:

• Invite professionals to understand how they forecast future earnings using accounting disclosures,

• and how they value a firm using forecasts

 **Course Material:** To be Discussed in Class.

#

 ***Course Web: SuCourse*** will be used heavily and contains the course syllabus, assignments, class announcements, summary lecture notes (handouts) and any other resources uploaded by the instructors or course assistants. <https://sucourse.sabanciuniv.edu/port>

**Instructional Design:**

Every week starts with a new material. The students are expected to listen to the lecture, and after the lecture, follow the reading assignments. The students’ participations in the in-class discussions determine part of their grades, in addition to homework assignments, and final examinations.

The instructor reserve the right to change this syllabus’s content, grading scheme, and exam dates. Any possible change will be announced at the class ahead of the time of the change.

**Grading:** Percentages allocated to each type of assessment are:

50% Contribution to In-Class Discussions, Project and Homeworks, etc.

 50 % Final Exam

***Requirements:***

***All exams*** will cover the material contained in the textbook, assignments, lectures and class discussions. The questions will generally be both multiple choice questions and questions requiring a written answer and calculation. There will be ***one cumulative make-up exam given at the end of the semester*** only for students that miss the exam with a valid reason and proper documentation.

***Class participation and attendance*** is very important at SU. It is especially relevant for this course as the content is very cumulative and class discussions and hands-on exercises will make it much easier for you to master the material. The students are encouraged and expected to participate in the classroom discussion by asking *relevant* questions, answering the questions raised and bringing examples of current events they find in the financial media.

**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 BA in Management Program 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.
* Come to class on time and do not leave before the professor gives a break or the class ends.
* Use of laptops and cell phones is forbidden in lecture classes. Do not turn them on unless you are using the laptop for taking notes or referring to a spread sheet etc. You have to bring your laptops during recitation classes where you will sometimes be working on MAL or taking quizzes.