

**City University of Hong Kong  
Course Syllabus**

**offered by Department of Accountancy  
with effect from Semester B 2015/16**

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**Part I Course Overview**

**Course Title:** International Financial Statement Analysis

**Course Code:** AC5711

**Course Duration:** 1 semester

**Credit Units:** 3

**Level:** P5

**Medium of Instruction:** English

**Medium of Assessment:** English

**Prerequisites:**  
*(Course Code and Title)* Nil

**Precursors:**  
*(Course Code and Title)* Nil

**Equivalent Courses:**  
*(Course Code and Title)* Nil

**Exclusive Courses:**  
*(Course Code and Title)* Nil

## Part II Course Details

### 1. Abstract

This course aims to:

1. Introduce an analytical framework for carrying out business analysis and valuation by using information provided in financial statements.
2. Give students practice using standard tools of financial statement analysis with financial statements drawn from several countries.
3. Give students practice on using the analysis to estimate the value of the firm and produce analyst reports on the firm.
4. Introduce students to governance and risks associated with international operations of a firm.

### 2. Course Intended Learning Outcomes (CILOs)

(CILOs state what the student is expected to be able to do at the end of the course according to a given standard of performance.)

No.	CILOs	Weighting (if applicable)	Discovery-enriched curriculum related learning outcomes (please tick where appropriate)		
			A1	A2	A3
1.	Use standard financial statement analysis tools including strategy analysis, accounting analysis, ratio analysis, proforma statement preparation, common-sizing based on financial statements that use IFRS and US GAAP	50%	✓	✓	✓
2.	Use the analysis from 1 to estimate the value of the firm	40%	✓	✓	✓
3.	Identify specific issues of governance and risks associated with multinational operations operating in an international setting	10%	✓	✓	✓
		100%			

A1: Attitude

*Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.*

A2: Ability

*Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to self-life problems.*

A3: Accomplishments

*Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.*

### 3. Teaching and Learning Activities (TLAs)

(TLAs designed to facilitate students' achievement of the CILOs.)

TLA	Brief Description	CILO No.						Hours/week (if applicable)
		1	2	3	4			
Lectures	Lectures on basic framework of financial reporting and financial statement analysis.	✓	✓	✓				
Case Analysis <sup>#</sup>	Students work as a group on a project, evaluating the performance of a listed firm.	✓	✓	✓				
Presentations	Individual presentations by students of their case analysis outcome.	✓	✓	✓				

<sup>#</sup> DEC TLA element

### 4. Assessment Tasks/Activities (ATs)

(ATs are designed to assess how well the students achieve the CILOs.)

Assessment Tasks/Activities	CILO No.						Weighting	Remarks
	1	2	3	4				
Continuous Assessment: <b>60%</b>								
Project / Case Analysis <sup>#</sup>	✓	✓	✓				20%	
Individual Presentation	✓	✓	✓				10%	
Midterm Test	✓	✓	✓				30%	
Examination: <b>40%</b> (duration: 3 hours)								
Final Examination	✓	✓	✓				40%	
							100%	

<sup>#</sup> DEC AT element

**Students are required to pass both coursework and examination components in order to pass the course.**

## 5. Assessment Rubrics

(Grading of student achievements is based on student performance in assessment tasks/activities with the following rubrics.)

	Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Adequate (C+, C, C-)	Marginal (D)	Failure (F)
1.	Project / Case Analysis	Ability to use standard financial statement analysis tools for financial statements from different regimes.	High	Significant	Moderate	Basic	Not even reaching marginal levels
2.	Individual Presentation	Ability to use standard financial statement analysis tools for financial statements from different regimes.	High	Significant	Moderate	Basic	Not even reaching marginal levels
3.	Midterm Test	Ability to understand basic concepts of financial reporting and analysis.	High	Significant	Moderate	Basic	Not even reaching marginal levels
4.	Final Examination	Ability to understand basic concepts of financial reporting and analysis. Ability to use standard financial statement analysis tools for financial statements from different regimes.	High	Significant	Moderate	Basic	Not even reaching marginal levels

**Part III Other Information** (more details can be provided separately in the teaching plan)

**1. Keyword Syllabus**

*(An indication of the key topics of the course.)*

Strategy analysis, Accounting analysis, Ratio analysis, Prospective analysis, international accounting quality analysis, valuation of companies, international corporate governance analysis.

**2. Reading List**

**2.1 Compulsory Readings**

*(Compulsory readings can include books, book chapters, or journal/magazine articles. There are also collections of e-books, e-journals available from the CityU Library.)*

1.	K.G. Palepu, V.L. Bernard, P.M. Healy and E. Peek, <b><i>Business Analysis and Valuation: IFRS Edition (Latest Edition)</i></b> , CENGAGE Learning EMEA
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**2.2 Additional Readings**

*(Additional references for students to learn to expand their knowledge about the subject.)*

1.	R. Lundholm and R. Sloan, <b><i>Equity Valuation &amp; Analysis</i></b> , McGraw-Hill, International Edition (Latest Edition)
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