

# AC5711: INTERNATIONAL FINANCIAL STATEMENT ANALYSIS

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## Effective Term

Semester A 2025/26

## Part I Course Overview

### Course Title

International Financial Statement Analysis

### Subject Code

AC - Accountancy

### Course Number

5711

### Academic Unit

Accountancy (AC)

### College/School

College of Business (CB)

### Course Duration

One Semester

### Credit Units

3

### Level

P5, P6 - Postgraduate Degree

### Medium of Instruction

English

### Medium of Assessment

English

### Prerequisites

Nil

### Precursors

Nil

### Equivalent Courses

Nil

### Exclusive Courses

Nil

## Part II Course Details

### Abstract

This course aims to:

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

#### Course Intended Learning Outcomes (CILOs)

CILOs	Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1 Use standard financial statement analysis tools to perform strategy analysis, accounting analysis, and financial analysis, and prepare forecasted financial statements including forecasted cash flow statement, forecasted statement of financial position and forecasted statement of comprehensive income for firms that use IFRS and US GAAP	50	x	x	x
2 Use the analysis from 1 and different valuation models to estimate the value of the firm	40	x	x	x
3 Identify specific issues of governance and risks associated with multinational operations operating in an international setting	10	x	x	x

#### 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 real-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.

#### Learning and Teaching Activities (LTAs)

LTAs		Brief Description	CILO No.	Hours/week (if applicable)
1	Lectures	Students will engage in lectures on (1) basic framework of financial reporting; (2) basic concepts about financial statement analysis including governance and risks associated with multinational operations; (3) accounting analysis; (4) financial analysis; (5) how to prepare forecasted financial statements; (6) different valuation models and how to estimate firm value using the valuation models	1, 2, 3	
2	Case Analysis #	Students will work as a group on a project, conducting financial statement analysis on a listed firm by applying the concepts and methods covered in the semester	1, 2, 3	
3	Presentations	Students will participate in individual presentations of their case analysis outcome and their recommendations	1, 2, 3	

**Additional Information for LTAs**

# DEC LTA element

**Assessment Tasks / Activities (ATs)**

ATs	CILO No.	Weighting (%)	Remarks ("-" for nil entry)	Allow Use of GenAI?
1 Class participation:  Students will participate in class discussions and exercise on topics and issues covered in the lecture.	1, 2, 3	5	Students are permitted to use Generative AI tools for information searching; however, they are strictly prohibited from using AI to write any part of their assessment reports.	Yes

2	Project / Case Analysis #: Students will work in groups to use the financial statement analysis tools to analyse the financial performance of a listed firm and estimate its value using different models. In addition, the students are required to discuss governance and risk of the listed firm.	1, 2, 3	20	Students are required to properly acknowledge the use of GenAI tools, and provide explanation of why the piece of response from the GenAI tool is adopted.	Yes
3	Individual Presentation: Students will present the outcome of their case analysis in front of the lecturer and the whole class.	1, 2, 3	5	Students are required to properly acknowledge the use of GenAI tools, and provide explanation of why the piece of response from the GenAI tool is adopted.	Yes
4	Midterm Test: Students will take a midterm test to evaluate their understanding of the concepts and methods learned so far and their ability to apply them.	1, 2, 3	30	-	No

**Continuous Assessment (%)**

60

**Examination (%)**

40

**Examination Duration (Hours)**

3

**Additional Information for ATs**

# DEC AT element

Final Examination [Open-book examination]:

Students will take a final examination to evaluate their understanding of the concepts and methods covered in the whole semester and their ability to apply their knowledge about financial statement analysis.

Students are required to pass both coursework and examination components to guarantee to pass the course. Failing either component may lead to failure in the course. The passing mark is generally 50.

**Assessment Rubrics (AR)**

**Assessment Task**

Class participation (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

**Criterion**

Active participation in class discussions and exercises

**Excellent**

(A+, A, A-) Very active

**Good**

(B+, B, B-) Active

**Fair**

(C+, C, C-) Moderately active

**Marginal**

(D) Not active

**Failure**

(F) Not even reaching marginal levels

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**Assessment Task**

Project / Case Analysis (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

**Criterion**

Ability to use standard financial statement analysis tools to analyse and value the financial performance of public firms listed in different regimes.

**Excellent**

(A+, A, A-) High

**Good**

(B+, B, B-) Significant

**Fair**

(C+, C, C-) Moderate

**Marginal**

(D) Basic

**Failure**

(F) Not even reaching marginal levels

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**Assessment Task**

Individual Presentation (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

**Criterion**

Ability to present and logically justify the output from the financial statement analysis performed on public firms listed from different regimes.

**Excellent**

(A+, A, A-) High

**Good**

(B+, B, B-) Significant

**Fair**

(C+, C, C-) Moderate

**Marginal**

(D) Basic

**Failure**

(F) Not even reaching marginal levels

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**Assessment Task**

Midterm Test (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

**Criterion**

Ability to understand and apply basic concepts and some tools of financial statement analysis.

**Excellent**

(A+, A, A-) High

**Good**

(B+, B, B-) Significant

**Fair**

(C+, C, C-) Moderate

**Marginal**

(D) Basic

**Failure**

(F) Not even reaching marginal levels

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**Assessment Task**

Final Examination (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

**Criterion**

Ability to understand and apply basic concepts and tools of financial statement analysis covered in the whole semester.

**Excellent**

(A+, A, A-) High

**Good**

(B+, B, B-) Significant

**Fair**

(C+, C, C-) Moderate

**Marginal**

(D) Basic

**Failure**

(F) Not even reaching marginal levels

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**Assessment Task**

Class participation (for students admitted from Semester A 2022/23 to Summer Term 2024)

**Criterion**

Active participation in class discussions and exercises

**Excellent**

(A+, A, A-) Very active

**Good**

(B+, B) Active

**Marginal**

(B-, C+, C) Moderately active

**Failure**

(F) Not even reaching marginal levels

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Project / Case Analysis (for students admitted from Semester A 2022/23 to Summer Term 2024)

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(B+, B) Significant

**Marginal**

(B-, C+, C) Moderate

**Failure**

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## Part III Other Information

### Keyword Syllabus

Strategy analysis, accounting analysis including fair value measurement and assessment of assets and liabilities, revenue measurement and analysis, adjustment to statement of financial position and comprehensive income statement, financial analysis including ratio analysis, prospective (forecasting) analysis including valuation models and analyses, international accounting quality analysis, valuation of companies, international corporate governance analysis.

### Reading List

#### Compulsory Readings

Title	
1	K.G. Palepu, V.L. Bernard, P.M. Healy and E. Peek, Business Analysis and Valuation: IFRS Edition (Latest Edition) CENGAGE Learning EMEA

#### Additional Readings

Title	
1	R. Lundholm and R. Sloan, Equity Valuation & Analysis McGraw-Hill, International Edition (Latest Edition)