

# FB5810: FINANCIAL REPORTING ANALYSIS FOR BUSINESS DECISIONS

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## Effective Term

Semester A 2025/26

## Part I Course Overview

### Course Title

Financial Reporting Analysis for Business Decisions

### Subject Code

FB - College of Business (FB)

### Course Number

5810

### Academic Unit

Accountancy (AC)

### College/School

College of Business (CB)

### Course Duration

One Semester

### Credit Units

2

### Level

P5, P6 - Postgraduate Degree

D8 - Professional Doctorate

### Medium of Instruction

English

### Medium of Assessment

English

### Prerequisites

Nil

### Precursors

Nil

### Equivalent Courses

AC5803 Financial Statement Analysis;

AC5815 Financial Reporting and Analysis; and

AC5870 Accounting Issues for the Global Manager

### Exclusive Courses

FB5803 Financial Reporting and Analysis for Decision Making

## Part II Course Details

### Abstract

This course aims to develop managers' ability to:

1. interact with accountants and finance professionals with regard to the accounting craft;
2. appreciate the process of financial statement analysis;
3. assess the accountant's professional judgement from both the functional and ethical perspective that impact on the determination of profitability and financial situation of a business entity;
4. measure and evaluate investment projects;
5. apply financial and accounting tools in making business decisions within the legal, professional and ethical framework.

### Course Intended Learning Outcomes (CILOs)

| CILOs | Weighting (if app.)  | DEC-A1 | DEC-A2 | DEC-A3 |
|-------|--|--------|--------|--------|
| 1     | Demonstrate and explain the conceptual and practical aspects including the functional perspective of financial reporting and the ethical issues thereof. | x      | x      |        |
| 2     | Apply the value concepts in assessing the value of individual assets and a corporation as a whole.   | x      | x      |        |
| 3     | Analyze and interpret financial statements using analytic techniques with a consideration of risk elements.  | x      | x      |        |
| 4     | Perform distress analysis to pinpoint risks of possible corporate failures.  | x      | x      |        |
| 5     | Demonstrate the ability to communicate effectively both individually and in group.   | 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    | Seminar class     | Students will learn and interact with lecturer and other students on various knowledge, theories and practices. | 1, 2, 3, 4, 5              |

|   |                    |  |               |  |
|---|--------------------|--|---------------|--|
| 2 | Live case studies# | Students will be assigned live cases to study practical financial analysis and evaluation process. | 1, 2, 3, 4, 5 |  |
|---|--------------------|--|---------------|--|

**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 and case analyses: Students need to take initiative to raise questions and participate in discussion of the cases and issues in class to facilitate their understanding of knowledge taught. | 1, 2, 3, 4, 5 | 20            | 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 | Group project: Students will work in groups, prepare a class deliverable to analyse the financial statements of live cases.  | 1, 2, 3, 4, 5 | 30            | 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                 |

**Continuous Assessment (%)**

50

**Examination (%)**

50

**Examination Duration (Hours)**

3

**Additional Information for ATs**

Final examination: Test students' understanding of conceptual and practical aspects of financial reporting and ethical issues.

**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 and case analyses (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

**Criterion**

Demonstrate an initiative and interactions in raising sensible questions and giving insightful discussion and presentation of issues and cases relating to the course topics in class.

**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**

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

**Criterion**

Demonstrate the ability to apply the concepts and knowledge to analyse the financial statements of live cases and presentation skills.

**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**

Demonstrate a grasp of the conceptual and practical aspects of financial reporting and the ethical issues thereof. Capable to assess risks and evaluate investment opportunities.

**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 and case analyses (for students admitted from Semester A 2022/23 to Summer Term 2024)

**Criterion**

Demonstrate an initiative and interactions in raising sensible questions and giving insightful discussion and presentation of issues and cases relating to the course topics in class.

**Excellent**

(A+, A, A-) High

**Good**

(B+, B) Significant

**Marginal**

(B-, C+, C) Basic

**Failure**

(F) Not even reaching marginal levels

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**Failure**

(F) Not even reaching marginal levels

**Part III Other Information****Keyword Syllabus**

Functions of Financial Reporting, Conceptual framework, agency theory, positive theory, valuation concepts, financial statement preparation, analysis and interpretation, horizontal and vertical analysis, risk analysis, investment appraisals and relevant application analysis

**Reading List****Compulsory Readings**

|   | Title  |
|---|--|
| 1 | Palepu, et al., Business Analysis and Valuation, latest edition, Cengage Learning.                           |
| 2 | Kimmel, P., J. Weygandt, and D. Kieso. Accounting Tools for Business Decision Making, latest edition, Wiley. |

**Additional Readings**

|   | Title  |
|---|--|
| 1 | Penman, S., Financial Statement Analysis and Security Valuation, latest edition, McGraw Hill |
| 2 | HKICPA website, <a href="http://www.hkicpa.org.hk">www.hkicpa.org.hk</a>                     |
| 3 | Hong Kong Stock Exchange website, <a href="http://www.hkex.com.hk">www.hkex.com.hk</a>       |