FB5810: FINANCIAL REPORTING ANALYSIS FOR BUSINESS DECISIONS

Effective Term

Semester A 2026/27

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.

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

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

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

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

Assessment Task

Group project (for students admitted from Semester A 2022/23 to Summer Term 2024)

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

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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, www.hkicpa.org.hk
3	Hong Kong Stock Exchange website, www.hkex.com.hk