

CB3041: FINANCIAL STATEMENT ANALYSIS

Effective Term

Semester A 2026/27

Part I Course Overview

Course Title

Financial Statement Analysis

Subject Code

CB - College of Business (CB)

Course Number

3041

Academic Unit

Accountancy (AC)

College/School

College of Business (CB)

Course Duration

One Semester

Credit Units

3

Level

B1, B2, B3, B4 - Bachelor's Degree

Medium of Instruction

English

Medium of Assessment

English

Prerequisites

CB2100 Introduction to Financial Accounting

Precursors

Nil

Equivalent Courses

Nil

Exclusive Courses

Nil

Part II Course Details

Abstract

This course aims to:

- a. develop students' ability to analyse and interpret financial reports for the purposes of assessing financial performance of firms to facilitate investment, lending, and other financial decisions;
- b. provide students with hands-on experience in financial statement analysis;
- c. develop students' broader spectrum of business analysis invoking core financial statements analysis skills and drawing economic conclusions in a variety of business contexts.

Course Intended Learning Outcomes (CILOs)

| CILOs | | Weighting (if app.) | DEC-A1 | DEC-A2 | DEC-A3 |
|-------|---|---------------------|--------|--------|--------|
| 1 | Demonstrate a comprehensive framework for business analysis and valuation using financial statement data. | 20 | x | x | |
| 2 | Identify and describe different tools of financial statement analysis. | 40 | | x | |
| 3 | Apply appropriate financial analysis tools to analyse and assess the financial performance and position of firms. | 20 | x | x | |
| 4 | Generate financial and business decisions for investment, lending, and other purposes with the aid of financial analysis tools. | 20 | 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 |
| 2 | Live case studies | Students will engage in live case studies to analyse the financial performance of these cases using provided information and web data. | 1, 2, 3, 4 |

| | | | | |
|---|---------------------------------|---|---------|--|
| 3 | Project study/ Presentation* | Students will search through the web on identified live corporations and generate indicated financial and business decisions through performing financial analysis and presentation on their finding and financial decisions. | 2, 3, 4 | |
|---|---------------------------------|---|---------|--|

Additional Information for LTAs

*DEC element

Assessment Tasks / Activities (ATs)

| | ATs | CILO No. | Weighting (%) | Remarks ("- " for nil entry) | Allow Use of GenAI? |
|---|--|------------|---------------|---|---------------------|
| 1 | Class discussion and questions: Students are required to initiate and participate in discussion of various course topics during classes, and respond to questions posed in class. | 1, 2, 3, 4 | 10 | 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 | Homework assignments: Students need to answer specific theoretical and practical questions in core financial analysis concepts and tools including simple case analysis. | 1, 2, 3 | 10 | 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 |

| | | | | | |
|---|---|---------|----|--|-----|
| 3 | Project report/ Presentation*: Students have to prepare a project report on a live listed corporation in Hong Kong or overseas on identifying appropriate business decisions for this corporation based on financial and business analysis tools. | 2, 3, 4 | 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

*DEC element Final examination : Students will attempt moderate case questions on financial analysis and related business and finance decisions drawn from both hypothetical and real live corporate and financial data. 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 discussion and questions

Criterion

Performance in class activities

Excellent (A+, A, A-)

Students have demonstrated excellent initiative and interactions in raising sensible questions and giving insightful discussion of issues and cases relating to the course topics in class

Good (B+, B, B-)

Students have demonstrated good initiative and interactions in raising reasonable questions and joining discussion of issues and cases relating to the course topics in class

Fair (C+, C, C-)

Students have demonstrated reasonable interactions in raising questions and joining discussion of issues and cases relating to the course topics in class

Marginal (D)

Students have demonstrated occasional interactions in joining discussion of issues and cases relating to the course topics in class

Failure (F)

Students randomly or rarely join discussion of issues and cases with little contribution to the course topics in class

Assessment Task

Homework assignments

Criterion

Performance in answering questions for the assignments

Excellent (A+, A, A-)

Students perform excellently in the assignments and provide very good answers to assignment questions

Good (B+, B, B-)

Students perform well in the assignments and provide good answers to assignment questions

Fair (C+, C, C-)

Students perform reasonably well in the assignments and provide some good answers to assignment questions

Marginal (D)

Students fairly perform in the assignments and provide some acceptable answers to assignment questions

Failure (F)

Students perform badly in the assignments and cannot provide acceptable answers to assignment questions

Assessment Task

Project report/Presentation

Criterion

Performance in preparing and presenting a project report related to an identified live corporation

Excellent (A+, A, A-)

Students perform excellently in project analysis and presentation and provide a very good report of required competency

Good (B+, B, B-)

Students perform well in project analysis and presentation and provide a good report of required competency

Fair (C+, C, C-)

Students perform reasonably well in project analysis and presentation and provide good discussion and analysis in certain parts of the report of required competency

Marginal (D)

Students fairly perform in project analysis and presentation and provide reasonable discussion in certain parts of the report of required competency

Failure (F)

Students cannot perform satisfactorily in project analysis and presentation and only provide basic discussion in certain parts of the report of required competency

Assessment Task

Final examination

Criterion

Performance in answering questions in the final examination

Excellent (A+, A, A-)

Students perform excellently in the exam and provide very good answers to exam questions

Good (B+, B, B-)

Students perform well in the exam and provide good answers to exam questions

Fair (C+, C, C-)

Students perform reasonably well in the exam and provide some good answers to exam questions

Marginal (D)

Students fairly perform in the exam and provide some acceptable answers to exam questions

Failure (F)

Students perform badly in the exam and cannot provide acceptable answers to exam questions

Part III Other Information

Keyword Syllabus

Financial Reporting Functions; Business Analysis and Valuation; Financial Statements; Accounting Analysis; Financial Analysis; Prospective Analysis; Equity Security Analysis; Credit Analysis; Corporate Failure Analysis, Investment Analysis; Contemporary Movement in Business Context and Financial Analysis Tools

Reading List**Compulsory Readings**

| Title | |
|-------|--|
| 1 | Wahlen et al., Financial reporting, financial statement analysis, and valuation : a strategic perspective, latest edition, Cengage |

Additional Readings

| Title | |
|-------|---|
| 1 | Palepu, et al., Business Analysis and Valuation, latest edition, Thompson |
| 2 | Penman, S., Financial Statement Analysis and Security Valuation, latest edition, McGraw Hill |
| 3 | Gibson, Charles H., Financial Statement Analysis using Financial Accounting Information, Latest edition, South-Western. |