

FIN 6465 Financial Statement Analysis

Course Objective: This course is designed to make the student comfortable with the key aspects of financial statements and the financial reporting environment. Students should be able to understand financial statements and their implications after completing the course.

Course Description: Some of the questions that we will attempt to answer include the following: (1) What aspects of the financial reporting system lead to financial disclosures that are misleading? (2) How can financial statement data be used to assist in valuation and credit analysis? (3) Can financial statement data be used to detect pending earning problems, fraud, and maybe even formulate trading rules? (4) When reviewing a financial statement, what are the right questions to ask a management team to obtain that information? (5) How do option compensation and pension liabilities affect “true” reported earnings and how can they be factored into a valuation analysis? (6) Is there any merit to earnings based valuation models?

Prerequisites: FIN 5437, FIN 5439 or MSF students

Textbook: (1) Revsine, Collins, Johnson & Mittelstadt, *Financial Reporting & Analysis*, 4th edition, 2008, Prentice Hall. (2) Course packet is available at Target Copy Center 22 NW 13th Street (352) 376-3826. (3) In class handouts and or class site postings. (4) Tim Koller, Marc Goerhart, David Wessels, and John Wiley, *Valuation: Measuring and Managing the Value of Companies*, 4th edition, 2005. (Recommended)

Assignment: (1) Case Problems Set. Case and problems are to be done in groups of 4 to 5. You can form your own group. Assignments are designed to further your understanding of financial statements and the information available in them and how to interpret that information. In some situations, cases will also be used for class discussion purposes and there will be no written questions to turn in.

Grading: Case & Problem Set Write-Ups (Group) (50%); Individual Course Participation (10%); Final Exam (40%).