

**Course title:** Financial Statements Analysis

**Instructor:** Constantinos Stefanou, MSc, PhD

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**Semester:** Spring

**ECTS:** 6

**Workload during semester:** 150 hours

### **Course overview**

The course aims at providing students with knowledge required to understand the importance of financial statements as sources of information for both company management and external users of accounting information/reports and be able to analyze financial statements using appropriate techniques.

### **Course outline per week**

1<sup>st</sup> week: Introduction, objectives and outline of the course

2<sup>nd</sup> week: The importance of general accounting principles and IAS/IFRS in evaluating the financial position of the business

3<sup>rd</sup> week: The importance of the assets and liabilities of the business

4<sup>th</sup> week: Methods of analysis of financial statements

5<sup>th</sup> week: Horizontal - Vertical analysis

6<sup>th</sup> week: Common size financial statements and ratio analysis

7<sup>th</sup> week: Profitability analysis

8<sup>th</sup> week: Liquidity analysis - Cash flows

9<sup>th</sup> week: Operational efficiency - activity analysis

10<sup>th</sup> week: Capital structure and financial leverage analysis

11<sup>th</sup> week: Stock market indices

12<sup>th</sup> week: Comparisons between companies using real data

13<sup>th</sup> week: Students' assignments presentations

### **Capabilities developed in the course**

- Disciplinary Knowledge and Practice
- Critical Thinking
- Solution Seeking

### **Learning outcomes:**

Students are expected to:

- Apply techniques of preparing and analyzing financial statements.
- Evaluate the structure and relationships of financial statement elements over time and across businesses.
- Assess the strengths and weaknesses of the business's performance in terms of efficiency, effectiveness, liquidity, and financial leverage.
- Draft studies that reliably assess the current and future financial health of the business and make decisions for the effective formulation of business financial strategy

### **Assessment methods**

- Assignment: 30%
- Exams: 70%

NOTE: A student's assessed work may be reviewed for potential plagiarism or other forms of academic misconduct

### **Delivery mode**

- Lectures

NOTE: The recording of any class on a personal device requires the permission of the instructor

### **Learning resources**

- Course material, ppt presentations, exercises
- Digital platforms: Eclass

## **Reading list**

Bernstein, L. A. & Wild, J. J. (1998) *Financial Statement Analysis: Theory, Application and Interpretation* (6th ed.). Boston, MS: Irwin McGraw-Hill

Gibson, C. H. (2012) *Financial Reporting and Analysis: Using Financial Accounting Information*, 12th Edition, South-Western College Publishing, USA

Subramanyam, K. R. and J. J. Wild (2009) *“Financial Statement Analysis”*, 10th Edition, McGraw-Hill