Texas A & M University – Commerce
College of Business and Entrepreneurship
Department of Accounting
Syllabus
Financial Statement Analysis for Global Entrepreneurs
ACCT 311
Fall 2013

Instructor: Michael D Schuster, MBA, CFE, CFCI
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Office hours: Telephonic as arranged
Course Meeting Day/Time/Room: Virtual in eCollege

Course Description*:*

This course is designed to provide an overview of financial statement analysis with a focus on global entrepreneurship. It presents a framework for analyzing business opportunities and risks through the use of financial statement analysis, ratio analysis, and trend analysis and valuation methods. Prerequisite Acc 222 and a minimum of 55-semester hour credits.

Required for: BBA, MBA

Course Materials:

Required Text:

Financial Statements, 10th Edition, Fraser, 2013; ISBN 9780132655064

Fraser and Ormiston take readers behind the financial reports to assess the real financial condition and performance of U.S. companies.

Understanding Financial Statements retains its reputation for readability, concise coverage, and accessibility, and gives readers the conceptual background and analytical tools necessary to understand and interpret business financial statements. Its ultimate goal is to improve readers' ability to translate financial statement numbers into a meaningful map for business decisions and enable each reader to approach financial statements with enhanced confidence.

Course Embedded Objectives:

Your achievement level for each objective will be measured by your success in completing the homework, quizzes and examinations. The successful student, upon completion of this course, will be expected to have achieved the following as a result of this course:

- Understand financial statements, both from a historical viewpoint and the relationship between the Income Statement, the Balance Sheet and the Statement of Cash Flows.
- Be able to analyze financial statements and identify the strengths and weaknesses of firms using the techniques such as ratio analysis, common size analysis and cash flows.
- Understand and interpret the differences between US GAAP and International Financial Reporting Standards (IFRS) financial statements.
- Exposure to global entrepreneurship financial environment.

Student Responsibilities*:*

1. Read assigned material on schedule
2. Complete all homework assignments on time
3. Prepare for class, examinations and quizzes
4. Participate in all discussion boards and any Class Live Pro sessions

Course Evaluation*:*

Grades will be based upon the following items:

Homework Assignments 30%
Exam Review Assignments 10%
Final Exam 30%
Group Project 30%

Grading scale: 90 - 100% =A, 80 – 89% =B, 70 – 79% =C, 60 – 69% =D and <60% =F. Your grade will be based on the activities above and weighted accordingly.

Assignments:

Reading assignments will vary based on the chapter content. Homework will be assigned after every unit so that you may reinforce the concepts learned so please attempt the problems. I will provide solutions to the homework once they have been attempted. If you have difficulty with a problem, make an appointment with the instructor to receive help. Completing the problems will be beneficial to helping you prepare for examinations.

All homework will be submitted through eCollege. We will be using **Class Live Pro** at times during the semester. This is found in eCollege and is a live discussion tool for professors and students to communicate. Please watch for **announcements** in eCollege and in emails. Participation in **Class Live Pro** is recommended.

Examinations:

One exam will be given during the semester. The exam will cover all chapters as we cover the material during the semester. The exam will require working out problems like those assigned as homework as well as multiple questions related to concepts and terminology.

There is not a make-up for the exam.

Group Project (PENDING):

You will be required to complete a group project and present a written report. The project will be completed throughout the semester as we cover the material. All group members are expected to participate equally in the project work and will be required to turn in team evaluations.

Based on your analysis of the firm's financial statements and any relevant supplementary information you can obtain about the firm and its operating environment, identify areas in which the company is performing well (strengths) and any problem areas (weaknesses).

Include in your analysis an assessment of how the firm's strengths and weaknesses affect its credit worthiness and investment potential. Estimate the intrinsic value of the company's stock and issue an investment recommendation.

To complete this project you will work in groups of 3-5 students depending upon enrollment. All students are equally responsible for the work that is turned in. Each group may select the company they wish to analyze, so long as that company has not already been selected by another group and approved by the instructor. Be sure to select a publicly traded U.S. company with at least three identifiable comparable firms.

This project will require you to make use of numerous outside resources, including company web pages, annual reports, analyst reports, etc. Be sure to appropriately cite relevant resources.

Data

The time period for the financial statement analysis should include three years plus interim statements for the most recent year, if available. In addition to the financial statements and other material in the annual and 10-K reports, you should review relevant materials from outside sources such as newspapers, periodicals, and investment resources.

Outline

The following outline is provided for guidance, but the analysis should be adjusted, as appropriate, to conform to the individual characteristics of the firm.

Suggested Outline for the Financial Statement Analysis

I. Introduction

   A. Objective of paper
   B. Summary of findings

II. Firm, Industry, and Environment

   A. Description of firm and its management
   B. Discussion of competitive environment
   C. Economic climate and outlook
   D. Other factors, e.g. governmental regulations, labor relations, litigation

III. Evaluation of Financial Statements

   A. Overview
   B. Short-term liquidity
   C. Operating efficiency
   D. Capital structure and long-term solvency
   E. Profitability
   F. Market measures
   G. Quality of financial reporting

IV. Outlook, Summary, and Conclusions

   A. Investment potential
   B. Credit assessment
   D. Summary and conclusions

V. Appendix

V. Footnotes

VI. Bibliography/References

Written Report

The written report should be between ten – fifteen pages in length however it can be longer, if necessary. An unlimited number of attachments are allowed and will not be counted in the fifteen pages however, you should include only those attachments that are relevant for the analysis and discussed in the text. The document should use a font size of 12 and one-inch margins. The summary page should give the reader a basic understanding of the firm, its past performance, its expected future performance, and the justification for your recommendation. This page should be able to stand alone as a summary of your analysis.

Plagiarism

Plagiarism represents disregard for academic standards and is strictly against University policy. Plagiarized work will result in an "F" for the course and further administrative sanctions permitted under University policy. Guidelines for properly quoting someone else are writing and the proper citing of sources can be found in the APA publication Manual.

University Policies and Procedures:

Students with Disabilities:

The Americans with Disabilities act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you have a disability requiring an accommodation, please contact:

Office of Student Disability Resources and Services
Texas A&M University – Commerce
Gee Library
Room 132
Phone (903) 886-5150 or (903) 886-5835
Fax (903) 468-8148

StudentDisabilityServices@tamuc.edu

Ethics: Integrity is the hallmark of the accounting profession and will be stressed throughout the course. Any type of student breach of ethics, including but not limited to: illegal activity, dishonest conduct, cheating, plagiarism, or collusion, will result in failure of assignment or exam (F) and/or further academic sanction (i.e. failure of course (F), dismissal from class and/or referral to Dean of the College of Business and Technology.

"All students enrolled at the University shall follow the tenets of common decency and acceptable behavior conducive to a positive learning environment." (See Student's Guide Handbook, Policies and Procedures, Conduct).

Other: University policy will be followed in regards to withdrawals during the semester. It is the student's responsibility to conform with the university rules relating to dropping or withdrawing from the course.

Email Policy

This is a web-enhanced course utilizing eCollege. You may e-mail me as well as any student in the class by utilizing the e-mail feature in eCollege. Please write the number of the course and your name on all correspondence and homework you submit. I will be communicating with you using your myLeo account that is provided by the university. Please check your e-mail frequently. The professor is NOT responsible for any technical difficulties experienced during the course.

The following schedule lists the specific assignments for the course. This syllabus is subject to change as needed to meet the objectives or administration of the course at the discretion of the Professor. It is not anticipated that there will be any substantive changes.

General Class Schedule and Assignments Financial Statement Analysis
ACC 311 – Fall 2013
Please see the Posted Assignment Schedule on eCollege website

ACCT 311 Course Objectives Rubric

Course Objectives	**1 (Unsatisfactory)**	**2 (Emerging)**	**3 (Proficient)**	**4 (Exemplary)**
Demonstrate an understanding of the relationship between the income statement, balance sheet and cash flow statement.	Student cannot demonstrate an understanding of the financial statements.	Student can demonstrate an understanding of two financial statements.	Student can demonstrate an understanding of financial statements but not their relationships.	Student can identify all the financial statements and their relationships.
Analyze financial statements and identify strengths and weaknesses if firms using ratio analysis, common size and cash flows.	Student cannot analyze the financial statements using any of the methods.	Student can identify some of the ratios and use them in their analysis of the F/S.	Student can perform common size analysis and ratios analysis.	Student can performs all type of analysis on financial statements.
Demonstrate an understanding of the differences between US GAAP and IFRS.	Student cannot demonstrate an understanding of the differences between US GAAP and IFRS.	Student can identify two or less of the differences between US GAAP and IFRS.	Student can identify more than three differences between US GAAP and IFRS.	Student can identify most of the differences between US GAAP and IFRS.
Exposure to global entrepreneurship financial environment.	Student cannot identify nor demonstrate an understanding of the financial environment.	Students can identify one aspect of the 1 of the financial environment.	Students can identify a few of the financial aspects of the financial environment.	Students can identify and demonstrate an understanding of the majority of financial aspects of the financial environment.