

SYLLABUS
FIN 540: Financial Statement Analysis and Valuation

Professor: Dr. Alper Gormus

Office Hours:

Commerce Campus: Monday 11:00 am – 12:00 pm and Wednesday 10:00 am – 11:00 am

Dallas Campus: Wednesday 5:00 pm – 6:00 pm

E-mail: al.gormus@tamuc.edu

Course Description:

This course is designed to provide an **advanced** understanding of the concepts and tools related to financial statement analysis and valuation. Some of the topics to be covered include:

- FSA Framework
- Objectives of financial reporting
- Classification of business activities
- Using financial statements in Security analysis
- Understanding and usage of Income Statements, Balance Sheets and Cash Flow Statements
- Impact and evaluation of the “taxed” environment
- Intercorporate Investments
- The valuation of private companies

Learning Outcomes:

The students are expected to not only understand all topics covered, but gain and demonstrate abilities in collecting data, synthesizing and interpreting complex company valuations as outlined under the class project. The overall class will require students to engage in high-level thinking and advanced analysis.

Course Format:

• Lectures and Assignments – The course will be conducted on a ClassLive lecture basis with discussions and questions encouraged. Some out-of-class assignments might be given.

Exams – 2 exams total (one midterm and one final).

Projects – 1 Project which includes the actual valuation of a company which is assigned to you. The project will require the following: You will demonstrate your mastery of the concepts covered (including creating the evaluation framework, calculating and evaluating the overall value proposition), go beyond understanding and provide application at a field-professional level.

Your grade is the simple average of two exams and one project.

I will send an email to announce a lecture or an exam/project when they are ready.

I DO COVER additional material which are not in your book. Your in-class notes are very important and you ARE responsible for any material covered in class.

The order which I cover the topics sometimes will NOT follow the order of the book chapters (even if they are in the book). I've adjusted my teaching over the years to better serve students' learning abilities.

Textbook:

Required Text: International Financial Statement Analysis, CFA Investment Series. Thomas R. Robinson, Hennie van Greunin, Elaine Henry, and Michael A. Broihahn | ISBN-10: 0470916621 | ISBN-13: 978-0470916629 | Edition: 2

CALCULATOR: Given that many of the standard financial calculations performed in this course can be easily done with a **financial calculator**, immediately purchase a financial calculator such as Texas Instruments BAII Plus, Hewlett Packard 10BII or anything you prefer as long as it is a financial calculator. A financial calculator will be advantageous to have not only when you take other business classes, but also when making personal financial decisions throughout your lifetime. I use a BAII Plus and will be referencing that calculator while solving problems (if needed).

Microsoft EXCEL: You will need access to this software for the entire duration of the semester as most of the topics will be evaluated/demonstrated using that software.

ClassLive Lectures: I will record a review session for each topic in ClassLive. I will let you know when those recordings are available. Please wait for my email for the lectures before you panic. I will do my best to post all lectures and exams in a timely manner, but please be patient and I promise to give you ample time to complete any lecture/exam/project.

Final Exam:

Comprehensive. Topics include everything covered for the entire semester.

Grading:

Simple average of your two exams and project:

This grade distribution for this option is as follows:

90 - 100% = A

80 - 89% = B

70 - 79% = C

60 - 69% = D

Below 60% = F

I believe in complete fairness. Above cut-offs are non-negotiable. Please at no time request to be “bumped up” a letter grade because you are “so close.” I do not do any special treatment for any one individual. Whatever grade “bumping” I do to one I do for the entire class with the same proportions. Class average at the end of the semester determine if any curves will be given.

TECHNICAL PROBLEMS AND QUESTIONS

Personal computer problems **do not** excuse the requirement to complete all course work in a timely and satisfactory manner. Each student needs to have a backup method to deal with these inevitable problems. These methods might include the availability of a backup PC at home or work, the temporary use of a computer at a friend's home, the local library, Office Services such as Kinko's, an Internet cafe, or a bookstore such as Barnes & Noble, etc. If in any way, your computer has technical problems during an exam, I cannot give you another chance to take the exam. This is why you should MAKE SURE your computer and internet connections are of adequate quality.

Technical assistance is available 24 hours a day/ 7 days a week. If you have questions related to eCollege, A&M-Commerce's online course management system, click on "TECHNICAL SUPPORT" on the left side of your course screen. An email box will appear. Fill out this technical support form, click submit, and your questions will be forwarded to the technical support staff. A resolution will be sent to you from the technical support staff via email. If at any time you experience technical problems (e.g., you can't log in to the course, you can't see certain material, etc.) please contact the eCollege HelpDesk, available 24 hours a day, seven days a week. The HelpDesk can be reached by sending an email to helpdesk@online.tamuc.org or by calling 866-656-5511. Additionally, you can click on the "Help" button located at the top of each page for more information.

If you use an Internet Service Provider other than the university, please contact a company representative if you are having difficulty accessing the Internet. Other support questions may be addressed to Computing, Telecommunications, and Information Systems (CTIS). The CTIS help desk is staffed Monday-Friday from 8am – 5pm and can be reached at 903-468-6000. The after-hours and weekend emergency phone number is 877-808-1607. When the after-hours support number is dialed, the answering service representative will ask for your name and phone number. The representative will then contact the on-call CTIS technician who should return your call within about 15 minutes.

POLICY ON LATE WORK

Late work WILL NOT BE ACCEPTED without a university excused absence as defined by **Texas A&M – Commerce Rules and Procedures 13.99.99.R0.01**. Note: keep a copy of your work - this protects you in the event of questions about missing assignments.

Excused absences include and are limited to:

- ✓ **Pre-authorized religious holidays**
- ✓ **Participation in a required/authorized university activity**
- ✓ **Voting on Election Day**
- ✓ **Obligation of student at legal proceedings in fulfilling responsibility as a citizen**
- ✓ **Documented death in a student's immediate family**
- ✓ **Verified illness – Resulting in Hospitalization or Long-Term Illness**

CLASS ETHICS

You are expected to maintain high standards of integrity and honesty while pursuing your academic goal(s). The university's statement on academic honesty is found in the Texas A&M University-Commerce Procedures, A13.12, Academic Honesty. Academic dishonesty is defined in the following manner:

"Academic dishonesty includes, but is not limited to, plagiarism (the appropriation or stealing of the ideas or words of another and passing them off as one's own), cheating on exams or other course assignments, collusion (the unauthorized collaboration with others in preparing course assignments), and abuse (destruction, defacing, or removal) of resource material."

Moreover, while taking any of the quizzes or exams in this course, your **only** outside source of information should be the textbook, your own personal notes, and a financial calculator or a spreadsheet program (i.e. EXCEL) by which to solve financial calculations. You are not allowed to consult with any other reference material or person while taking an exam.

Students found to have committed academic dishonesty will automatically receive a failing grade for the course and face possible expulsion from the university.

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
StudentDisabilityServices@tamuc.edu