

TEXAS A&M INTERNATIONAL UNIVERSITY

REQUEST FOR COURSE INVENTORY UPDATE

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Department: Accounting, Economics and Finance Academic Year Effective: 2005 - 2006  
Subject Prefix: ACC Course Number: 5310 Semester Credit Hours: 3

Title: Financial Statement Analysis HRS/WK:Lec: 3 Lab: Other:

Short Course Title:

Complete Catalog Description, Including Prerequisites:  
Three semester hours. (F,S), (Spanish) (S) An intensive study of financial statement analysis. Topics covered include: Study of the basic accounting concepts and principles related to financial statement analysis; liquidity, solvency, and profitability analyses; sources of financial analysis information; personal financial statements. Prerequisite: ACC 5300 or equivalent with a grade of "C" or better.

Justification for action: Pre-requisite needed to insure students have sufficient background; above course description more closely coincides with course content

Indication of consultation with other departments in which this course is currently a degree requirement:

No other department is affected

Approved: \_\_\_\_\_  
Chairperson of Department/Division J. J. Bell Date 10/6/05  
Curriculum Committee \_\_\_ Approved by a Committee of the Whole \_\_\_ Date: \_\_\_\_\_  
Chairperson of Department/Division A. J. King Date 10/6/05  
Chairperson of College Curriculum Committee [Signature] Date 10/6/05  
Dean of the College [Signature] Date 10/6/05

ACC 5310

Financial Statement Analysis

Three semester hours. (F,S), (Spanish) (S)

An intensive study of financial statement analysis. Topics covered include: study of the basic accounting concepts and principles related to financial statement analysis; liquidity, solvency, and profitability analyses; sources of financial analysis information; personal statements. descriptions and explanations of the demand and supply forces underlying the provision of financial accounting data; the properties of financial accounting information; the aspects of decisions that use financial statement information; and the environment in which these decisions are made. Prerequisite: ACC 5300 or equivalent with a grade of "C" or better.

**Course:** ACCOUNTING 5310 Section 160  
FINANCIAL STATEMENT ANALYSIS  
PH 114 Tuesday 7:30 - 10:00PM

**Prerequisites:** Graduate standing and ACC 5300 (or equivalent).

**Instructor:** Instructor: E.F. Collins, Ph.D. Phone: 326-2493  
Office: PH 102 E-mail: [fcollins@tamiu.edu](mailto:fcollins@tamiu.edu)

**Required Texts:** *Financial Reporting and Analysis - Using Financial Accounting Information*, 9<sup>th</sup> edition, by Charles H. Gibson.

**Supplementary Texts and Materials:** Four column Premium Analysis Pad, Item #45-304 or equivalent

**Course Description:** An intensive study of financial statement analysis. Topics covered include: descriptions and explanations of the demand and supply forces underlying the provision of financial accounting data; the properties of financial accounting information; the aspects of decisions that use financial statement information; and the environment in which these decisions are made.

**Course Objectives:** The object of this course is to briefly review concepts and principles of financial accounting, and then, to learn how to analyze financial statements and reach conclusions as to a firm's financial "health."

**Learning Outcomes:**

- **Students will reinforce and demonstrate their knowledge of financial accounting and generally accepted accounting principles.**
- **Students will learn techniques of analyzing financial statements in terms of liquidity, solvency, profitability, and owner's needs. They will demonstrate their ability to apply these techniques**
- **Students will apply their knowledge of financial statement analysis techniques to the analysis of actual company's financial statements.**
- **Students will demonstrate their ability to work in teams to analyze financial statements and make a class presentation of their results.**

**Grading Policy:**

Examination (one)	100
Class Participation	100
Homework	50
Presentation	150
Final Examination	<u>100</u>
Total	500

**Attendance Policy:**

While attendance will not be taken, it is important to prepare for every class and be present to participate in the discussion. In fact “Class Participation” counts for 20% of your course grade and will be assigned based on both frequency and quality of your discourse. Simply attending class does not count as participation.

**Administrative Policies:**

1. Last day to drop a course without a grade September 8, 2005
2. Last day to drop a course November 17, 2005.
3. Final exam **8:00 – 10:00PM, December 13, 2005**
4. All policies and regulations as outlined in TAMIU catalogs and bulletins will be followed.
5. Make up examinations will not be given.
6. Office hours: Monday 6 - 7PM; Tuesday 10:30- 11:30AM, 6 - 7PM, Wednesday 10:30 – 11:30AM and Thursday 8 – 9 AM and by appointment.

Should a faculty member discover that a student has committed plagiarism, the student will receive a grade of **AF@** in that course and the matter will be referred to the Executive Director of Student Life for possible disciplinary action.

The Copyright Act of 1976 grants to copyright owners the exclusive right to reproduce their work and distribute copies of their work. Works that receive copyright protection included published works such as a textbook. Copying a textbook without permission from the owner of the copyright may constitute copyright infringement. Civil and criminal penalties may be assessed for copyright infringement. Civil penalties include damages up to \$ 100,000; criminal penalties include a fine of up to \$ 250,000 and imprisonment

The university is composed of a diverse student body who have a number of different religious beliefs. Reasonable accommodations will be made to allow student to practice their beliefs. It is the responsibility of the student to inform the instructor in advance when there is a conflict between scheduled classroom activities (examinations, quizzes, etc.) and religious holidays.

Students diagnosed with ADA recognized problems should contact Dr. Yolanda Garcia, Director of Counseling (CH 312A - 326-2230). Students who have not been diagnosed with an ADA condition but feel that they might be eligible for assistance under provisions of ADA are encouraged to contact Dr. Garcia.

**Special Assignments:**

1. Properly annotated homework will be turned in at the examination and on the date of the final examination..

2. Presentation:

Towards the end of the course, two-person teams will make a presentation where they present their financial analysis of an actual company (which they will select). They may obtain information about their selected company from the Tompson Analytics web-site at <http://tabseacct.swlearning.com> or from actual company financial reports. Also, relevant information from non-financial sources will be HIGHLY valued. YOUR TASK IN YOUR PRESENTATION IS TO REPORT THE RESULTS OF AN ANALYSIS AS TO WHETHER YOU WOULD (OR WOULD NOT) RECOMMEND MAKING A SIGNIFICANT INVESTMENT IN THE EQUITY SECURITIES OF YOUR SELECTED COMPANY.

You should prepare and distribute a report detailing and supporting you findings. Major sections of the report should be:

- a. Introduction
- b. Liquidity analyses
- c. Solvency analyses
- d. Profitability analyses
- e. Investor analyses
- f. Conclusions

3. A direct link to Web CT is: <http://www.tamtu.edu/login.html>

**Topical Outline:**

	Date	Chapter	Topic	Homework
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1	08-30	1	Intro to Financial Reporting	P1-2, P1-4, Case 1-5, Case 1-7, Case 1-9
2	09-06	2	Intro to Financial Statements	Case 1-2, Case 2-2, Case 2-6
3	09-13	3 - 4	Balance Sheet and Income Statement	P3-3, P3-4, Case 3-1, P4-1, P4-7, Case 4-3
4	09-20		Additional review of basic accounting concepts	
5	09-27		Examination	
6	10-04	5 - 6	Basics of Analysis and Liquidity of Short-Term Assets <b>Deadline for selecting teams</b>	P5-1, P5-2, P6.3, P6-8, P6-11, P6-12, P8-18 Case 6-3
7	10-11	5 - 6	Basics of Analysis and Liquidity of Short-Term Assets - continued	
8	10-18	7 - 8	Long-Term Debt Paying Ability and Profitability	P7-2, P7-4, Case 7-3, Case 7-4, P8-3, P8-6, Case 8-2
9	10-25	9 - 10	For the Investor and Cash Flows	P9-1, P9-3, P9-9, Case 9-1, P10-1, P10-3, P10-8
10	11-01	11 -13	Expanded Analysis and Personal Financial Statements, etc.	Case 11-3, P 13-1, P13-6
11	11-08		Presentations	
12	11-15		Presentations	
13	11-22		Presentations	
			Thanksgiving Recess 11-23 thru 11-27	
14	11-29		Presentations	
15	12-06		Presentations	