

Financial Statement Analysis for Equity Fund Management (FINA7A97) University of Houston Fall 2017

I. Basics

Course meets Tuesday evening from 6:00 to 9:00 in CBB 108. My contact information is:

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Feel free to contact me whenever necessary. Please use the cell phone only for emergencies.

II. Textbook and Supplementary Materials

- James M. Wahlen, Stephen P. Baginski and Mark T. Bradshaw, **Financial Reporting, Financial Statement Analysis and Valuation: A Strategic Perspective**, 8th edition, Cengage Learning, 2014 (ISBN 1285190904).
- Various articles provided by instructor.
- Access to Microsoft Excel for homework assignments.

III. Course Description

My primary goal in this course is to provide you with the basic tools you need to be an educated user of financial statements prepared under generally accepted accounting procedures. This course begins where 6A31 Analyzing Financial Statements ends, but 6A31 is not a prerequisite. We will begin the course with a review of the main points from 6A31 and rely upon your previous accounting coursework.

Financial Statement Analysis for Equity Fund Management provides a structured approach to the analysis of financial statements. We will meet for eight Tuesday evenings. The course format will vary but will include free-form lectures, group discussions, problem solving and discussion on recent events related to the analysis of financial statements.

IV. Grading and Related Policies

Grades will be based upon:

- Student's performance on an examination
- Preparation and submission of assigned homework
- Preparation and submission of five projects

Grading Scale:

Examination	125	10/10/17
Homework assignments	100	No late submissions accepted
Projects	<u>100</u>	No late submissions accepted
Total	325	

Assignments help you to understand concepts, to apply your knowledge, and to enhance your skills. Completing assignments in a timely manner will help you keep up with the tight class schedule. I will not accept late assignments. Homework assignments are an important part of your grade in this class and I expect graduate level work on each assignment. I will be grading the assignments primarily on effort, not accuracy. All homework assignments and projects are due in my email (woodsijd@icloud.com) at the beginning of class. Be sure to name the files with enough information for me to determine who submitted them and which assignment they pertain. I will use the system clock to determine if assignments are late. Please, do not submit assignments in class.

Each project will address a particular aspect of the topics covered in the course. The projects are opportunities for you to combine your general business knowledge with the material being covered in class. The projects are open-ended and designed to allow you to show critical thinking skills. Be sure to allow enough time to complete these tasks thoroughly. In most cases, it is the thought that counts; not the attention to detail or completeness of the answer. Therefore, do not wait until the last minute to start working on the project or spend hours trying to cover every detail.

The examination will contain short answer questions and problems that are similar to the homework problems and will be open book / open notes. I will be looking to see that you can apply what you have learned to new situations.

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Course Outline

Date	Week	Lecture Topic	HMK #	Assignment Due	Project #	Project Due
22-Aug	1	Chapter 1-6: Introduction / Accounting Review				
29-Aug	2	Chapter 9: Operating Activities / Excel Techniques	1	1.11; 2.4; 2.10; 2.21; 4.14; 6.18 a&b		
5-Sep	3	Chapter 7: Financing Activities	2	9.2; 9.4; 9.6; 9.19; 9.20; 9.25	1	Excel Project / LED Bulb Problem
12-Sep	4	Chapter 8: Investing Activities	3	7.1; 7.3; 7.4; 7.12; 7.13; 7.16, a&d; 7.17; 7.18	2	Foiled me once...
19-Sep	5	PRA / DFN / Modeling	4	8.1; 8.2; 8.3; 8.4; 8.6; 8.15; 8.16; 8.20; 8.27	3	Long-Term Solvency Risk (Case 7.3)
26-Sep	6	Chapter 10: Forecasting Financial Statements	5	DFN Problem Set	4	PRA Project
3-Oct	7	Review / Recap / Tesla Valuation Example	6	10.1; 10.3; 10.4; 10.5; 10.8; 10.9; 10.10; 10.12; 10.14		
10-Oct	8	Examination			5	Walmart Stores, Inc. Financial Statement Forecast (10.16)