

**Analyzing Financial Statements
(FINA6A31)
University of Houston
Spring 2018**

I. Basics

Course meets Tuesday evening from 6:00 to 9:00 in Melcher 213. 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

- Wahlen, James M., Stephen P. Baginski and Mark T. Bradshaw, **Financial Reporting, Financial Statement Analysis and Valuation: A Strategic Perspective**, 9th edition, Cengage Learning, 2018 (ISBN 978-1-337-61468-9).
- 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 required to be an educated user of financial statements prepared under generally accepted accounting procedures.

This course provides a structured approach to the analysis of financial statements. We will meet for eight Tuesday evenings. The course format varies but will include free-form lectures, group discussions, problem solving and discussion of 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, and
- Preparation and submission of four company write-ups.

Grading Scale:

Examination	125	3/6/18
Homework assignments	100	No late submissions accepted
Write-ups	<u>100</u>	No late submissions accepted
Total	325	

Students earning at least 308 points will receive the grade of “A” for the course. Students earning at least 276 points will receive at least the grade of “B” for the course. Students earning at least 243 points will receive at least the grade of “C” for the course. Students earning at least 211 points will receive at least the grade of “D” for the course. The “plus/minus” grade modifiers will be used at my discretion. I may also award points to everyone in the class to adjust the overall average grade in the course.

The examination will contain short-answer questions and problems that are similar to the homework problems. The examination will be open book / open notes. You may bring in any material you like for the examination, but you may not perform internet searches or refer to online materials during the examination. (The textbook is not available online.) Several questions on the examination will be focused upon determining if you can apply what you have learned to new situations.

The homework assignments will help you understand concepts, apply your knowledge, and 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 are due in my email (woodsjd@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 student will be assigned two publicly traded firms to follow throughout our time together. These firms will be the subjects for the write-ups. Each write-up will focus upon a particular aspect of the firms as we discuss them during the course. The write-ups are opportunities for you to combine your general business knowledge with the material being covered in class. The write-ups 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 quantity of details included in the response. Therefore, do not wait until the last minute to start working on the write-up or spend hours trying to cover every detail.

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Course Outline

Date	Week	Lecture Topic	HMK #	Assignment Due	Write-up #	Write-up Topic Due
16-Jan	1	Class canceled due to weather				
23-Jan	2	Chapter 1 - Overview of Financial Reporting, Financial Statement Analysis and Valuation				
30-Jan	3	Chapter 2 - Asset / Liability Valuation and Income Recognition	1	1.3; 1.4; 1.7; 1.8; 1.9; 1.10	1	Competitive Position
6-Feb	4	Chapter 4 - Profitability Analysis	2	2.2; 2.4; 2.5; 2.8; 2.10; 2-14 a; 2.18 a, c, d, & e; 2-20		
13-Feb	5	Chapter 5 - Risk Analysis	3	4.2; 4.3; 4.5; 4.7; 4.13; 4.15; 4.16 a & b; 4.17 a & b; 4.25; 4.29	2	Profitability Analysis
20-Feb	6	Chapter 6 - Accounting Quality	4	5.1; 5.3; 5.4; 5.5; 5.6; 5.7; 5.8; 5.13		
27-Feb	7	Chapter 3 - Income v. Cash Flow: Understanding the Statement of Cash Flows and SWOT Analysis	5	6.1; 6.3; 6.6; 6.7; 6.9; 6.15; 6.18 a,b & c; 6.20	3	Financial Statement Quality
6-Mar	8	Examination	6	3.1; 3.4; 3.10; 3.13; 3.15; 3.29 a & b only for Year 2	4	Conclusion / Issue Identification