

**Boston College**  
**The James A. Woods, S.J., College of Advancing Studies**  
**Course Syllabus**

**AD 73601 – Accounting Information & Statement Analysis**  
**BA 12501 – Financial Statement Analysis**

**Spring 2012 – Thursday 6:30-9:00 – January 19 to May 3**

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Feel free to call or email at any reasonable time. If I am not available, please leave a voice mail message with a return phone number and the best times to callback.

**Required Texts:**

*Analysis for Financial Management*, 10<sup>th</sup> Edition, Robert C. Higgins  
ISBN# 978-0-07-803468-8

*Custom Course Book printed by McGraw-Hill*  
ISBN# 978-1121417243

This custom book contains:

Three chapters from *Financial Reporting & Analysis*, 5<sup>th</sup> Edition, Revsine,  
Collins, Johnson, Mittelstaedt  
and

Two case studies: *ServerVault Case Study*  
*Horniman Horticulture Case Study*

**Course Prerequisites**

Familiarity with Financial Accounting.

Experience with using Excel.

Experience with present value calculations. If you are not familiar with this topic then you should review an online tutorial for present value calculations or time value of money. One site is [www.tvmcalcs.com/calculator\\_index](http://www.tvmcalcs.com/calculator_index)). You can use either Excel or a financial calculator for these calculations.

## **Catalog Descriptions**

### AD 73601 – Accounting Information & Financial Statement Analysis

Introduces the use of financial information in organizational decision making. Examines accounting theory and practice: how information is presented and used to provide conclusions about the financial position of an organization. Explains the use of principles of financial management to make operating and capital budgeting decisions and analyze long-term financial alternatives. Topics include financial statements, financial condition analysis, present value, budgeting, long-term asset and liability decision making. Looks at the influence of the Financial Accounting Standards Board (FASB).

### BA 12501 – Financial Statement Analysis

Examines the techniques that individual and institutional investors, securities analysts and commercial loan officers use to analyze corporate financial reports. Explores methods of constructing, comparing and analyzing these statements and reports, and the various uses of these analyses.

## **Course Overview**

This course goes well beyond the concept of financial statement preparation. We will analyze how financial statements affect real business decisions: market valuations of companies, investment decisions relative to debt and equity, budgeting and forecasting. The course will also cover various accounting alternatives and subjective estimates that are available to managers that give them discretion in the reporting of financial results. The importance of the concept of present value / time value of money will be integrated into the course work. Two short case studies will be utilized to expand discussions of the concepts.

## **Course Methodology**

You will be expected to:

1. Complete all assigned readings.
2. Complete weekly homework problem assignments.
3. Participate in the classroom discussions.
4. Complete 2 short case studies.
5. Complete all assigned exams.

## **Communication/Submission of Work**

Homework assignments (readings and problems) will be listed each week.

Lecture slides will also be available each week so that students may download the slides in advance of the class. This should greatly facilitate note taking.

## Grading/Evaluation Standards

Class Participation and homework	20%
Mid-Term Exam - 1	25%
Mid-Term Exam - 2	25%
Final Exam	30%

## Class Schedule

The following schedule is tentative and is subject to some minor modifications.

<u>Week</u>	<u>Date</u>	<u>Topic</u>	<u>Assignment</u>
1	1/19	Value of a company	Prior to the first class: Value of a Co. Skim chapters 1-H and 1-R
2	1/26	Why financial statements are important Review of financial statements	Read & Study ch. 1-H & 1-R H.W. problems ch.1-H & 1-R Skim ch.2-R
3	2/2	Accrual accounting and Income Stmt.	Read & Study ch.2-R H.W. problems ch.2-R Skim ch. 17-R
4	2/9	Statement of cash flows	Read & Study ch. 17-R H.W. problems ch. 17-R Skim ch.2-H
5	2/16	Ratio analysis	Read & Study ch.2-H H.W. problems ch.2-H
6	2/23	<b>Exam - chapters 1-2 &amp; 1,2,17</b> <b>multiple choice - CF stmt - ratio analysis</b> Lecture on ch.3	Study for Exam Skim ch.3
7	3/1	Review Exam Budgets and Forecasting	Read & Study ch.3 H.W. problems ch.3
no class	3/8	-----	-----
8	3/15	Continue Budgets & Forecasting Managing Growth	Read & Study ch.4 H.W. problems ch.3 & 4 Skim ch.5 & 6

9	3/22	Financial Instruments Selecting the proper financial instrument	Read & Study ch.5 & 6 H.W. problems ch.5 & 6
10	3/29	<b>Exam - chapters 3-6</b> <b>multiple choice - ServerVault case</b> Lecture on TVM	Study for Exam Skim ch.7 Skim online TVM tutorial
no class	4/5	-----	
11	4/12	Review Exam TVM	Read & Study online TVM tutorial H.W. problems TVM Skim ch.7
12	4/19	TVM & DCF	Read & Study ch.7 H.W. problems ch.7 Skim ch.8 & 9
13	4/26	Risk Analysis Business Valuation	Read & Study ch.8 & 9 H.W. problems ch.8 & 9
14	5/3	<b>Exam - chapters 7-9</b>	Study for final exam