The Cameron School of Business at University of St. Thomas

1. Course Information

Course Title: Financial Statement Analysis  Course number (1702): Acct 3336/5336; Fin 5336  Credit Hours: 3  Semester: Fall 2016  Room #: Malloy 12  Days & hours: Th 7 – 9:45 pm  Prerequisites: Acct 1342 or equivalent  Web page/BlackBoard site: gregory.stthom.edu (Blackboard)

2. Instructor Information

Name: Dr. Mark Turner  Office location: Welder 202  Office phone: (713) 942-3477  Office hours: TTh 2-5; W 4-6, or by appointment, or whenever I am in the office.  Where to leave assignments: Under office door Welder 202  E-mail: turnerma@stthom.edu  Fax number: (713) 525 2110  Emergency contact: turnerma@stthom.edu

3. Course Catalog Description

An in-depth study into the area of financial statements and investment analysis. For accounting and business majors, this course is ideal for the non-accountant business person who encounters financial statements in daily business activities.

Additional Comments on Course Content:
Financial Statement Analysis focuses on teaching students how to read, analyze and interpret financial statement data in order to make informed business decisions. The course trains students to understand the ramifications of business transactions and their impact on financial statements. Financial Statements should be viewed as windows into the workings of a business and not simply as advertising billboards. A primary goal of this course is the application of accounting knowledge to understanding real financial statements.

4. Program Goals and Objectives:

BBA Learning Goals

The Bachelors of Business Administration has five goals.

When students complete the BBA degree at the University of St. Thomas:

1. They will communicate clearly, effectively and logically in a business situation:
   - Objective 1: Graduates can demonstrate mastery of appropriate communication technology.
   - Objective 2: Graduates can produce written materials that flow logically and are grammatically correct.
   - Objective 3: Graduates can deliver a compelling oral presentation grounded in relevant information and facts.

2. They will be adept at critical thinking and be able to demonstrate creative decision making skills.
   - Objective 1: Graduates can identify the main problem and key surrounding assumptions.
   - Objective 2: Graduates can evaluate the logic, validity and relevance of data.
   - Objective 3: Graduates can solve challenging problems and discuss conclusions, implications.

3. They will be able to work effectively in teams towards achievement of goals.
   - Objective 1: When working in a group, graduates can demonstrate collaborative behaviors in the achievement of group goals.
- Objective 2: When working in a group, graduates can evidence accountability for the achievement of group goals.
- Objective 3: When working in a group, graduates can demonstrate a positive attitude towards the group and the other members of the group.

4. They will be able to discern ethical and moral behavior and articulate ethical and moral standards for themselves as well as for corporations and the larger society.
   - Objective 1: (Detection) Graduates can recognize the ethical and moral issues implicit in a business situation.
   - Objective 2 (Knowledge) Graduates can describe and use ethical and moral frameworks applicable to business situations.
   - Objective 3 (Ability in action) Graduates can come up with a variety of ethical alternatives for resolving or at least addressing, a problem in business.

5. They will demonstrate an understanding of fundamental business issues and processes.
   - Objective 1: Graduates can demonstrate their management specific skills and competencies in Accounting, Economics, Management, Quantitative methods, Finance, marketing, Legal and Social Environments, Information System and Global Issues.

The first four goals are assessed across the curriculum using a rubric based method. The fifth goal is assessed employing ETS Major Field Test.

**MBA Learning Goals**

The Masters of Business Administration program has six goals.

When students complete the MBA degree at the University of St. Thomas:

1. They will be effective communicators.
   - Objective 1: Graduates will deliver a compelling oral presentation.
   - Objective 2: Graduates will write professional quality documents.

2. They will be effective team members.
   - Objective 1: Graduates can demonstrate appropriate group techniques to participate in a team task that results in effective performance.
   - Objective 2: Graduates can demonstrate effective leadership skills in a group project.

3. They will be ethical decision makers.
   - Objective 1: Graduates will recognize the ethical issues implicit in a business situation.
   - Objective 2: Graduates will describe and use ethical frameworks applicable to business situations.
   - Objective 3: Graduates can develop a variety of ethical alternatives for resolving or at least addressing, a problem in business.

4. They will be globally aware.
   - Objective 1: Graduates will perform a global business situation analysis.
   - Objective 2: Graduates will formulate global business strategy.
   - Objective 3: Students will evaluate global business strategy.

5. They will be able to integrate knowledge across multiple business disciplines.
   - Objective 1: Graduates will identify business problems and opportunities that result from factors internal and external to the organization.
   - Objective 2: Graduates will apply quantitative and qualitative techniques from the different business disciplines to address problems and opportunities.

6. They will be knowledgeable about multiple business disciplines.

**MSA Learning Goals**

The Masters in Accounting Program has five goals: When students complete the MSA degree at the University of St. Thomas:

1. They will be critical thinkers
   - Objective 1: Students will synthesize and analyze information resulting in improved business practices.
   - Objective 2: Students will demonstrate an understanding of the economic and financial consequences of accounting policy decisions.
2. They will be ethical leaders
   o Objective 1: Students will identify accounting dilemmas, citing relevant ethical and moral authority.
   o Objective 2: Students will apply accounting ethical standards to business situations

3. They will work effectively in teams towards achievement of goals
   o Objective 1: Students will work collectively towards team objectives
   o Objective 2: Students will effectively lead a team in a group project.

4. They will communicate effectively
   o Objective 1: Students will deliver professional business presentations
   o Objective 2: Students will prepare coherent and professional business writings.
   o Objective 3: Students will conduct professional research on accounting issues

5. They will be equipped to succeed in the accounting profession (knowledge goal)

5. Course Learning Objectives
   BBA:
   - Goal 2 Objectives 1, 2 and 3 – students will evaluate financial statements and make judgments about the financial condition of and prospects for companies
   - Goal 5 – students will use accounting knowledge and accounting information to assess business issues and problems

   MBA:
   - Goals 5 and 6 – students will learn how to evaluate a company’s financial condition and future prospects via an understanding of the information included in publicly available financial statements and 10-k.

   MSA:
   - Goal 1 Objects 1 and 2; Goal 5 – students will learn how to evaluate a company’s financial condition and future prospects via an understanding of the information included in publicly available financial statements and 10-k.

6. Texts, Readings, Materials

   Required text citation:


   A hard copy of the 10-k for the company you will be analyzing during the semester (Must be listed on Fortune 500 from 300-400; a non-financial services entity). Bring to class.

   Book website: Student link for online course material required to complete homework assignments.

   https://mybusinesscourse.com/?code=3588-69832

   Online Learning System access required for this course

   Your new book comes with a registration code that allows access to the Online Learning System called “mybusinesscourse”. If you are using a book without the code, the code alone can be purchased on the textbook website or with an eBook.

   Please see the instructions posted in BB Course Materials for instructions on how to access mybusinesscourse.com Access to this cite is required to complete homework assignments.
**Supplemental readings:** Please check Blackboard under “Course Documents” for articles. Video lectures and review questions are also available in mybusinesscourse.

**Supplementary readings:** The Wall Street Journal, BusinessWeek or similar business publication.

**7. Instructional methods:** lecture, group discussion, class problem solving keeping a journal of important content, and homework problems, etc.

**8. Technology**

1) *Online data retrieval and/or research*
2) *Online communication or collaboration:* Homework on mybusinesscourse.com
3) *Use of general productivity software (e.g., Microsoft Office) to complete assignment:*
4) *Use of BlackBoard learning platform:* Journal, syllabus and assignments, posted readings.

**9. Course Tentative Schedule:**

<table>
<thead>
<tr>
<th>Date</th>
<th>Module</th>
<th>Class Topics</th>
<th>See MyBusinessCourse for Homework due dates</th>
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</thead>
<tbody>
<tr>
<td>Aug 25</td>
<td>1 and 2</td>
<td>Framework for Analysis Business Activities</td>
<td>Sept 4 11:59 pm</td>
</tr>
<tr>
<td>Sept  1</td>
<td>3</td>
<td>Profitability Analysis</td>
<td>Sept 11 11:59 pm</td>
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<tr>
<td></td>
<td>8</td>
<td>Credit Analysis</td>
<td>Sept 18 11:59 pm</td>
</tr>
<tr>
<td>15</td>
<td>Review and Catch-up</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>EXAM 1</td>
<td>Chapters 1 – 4</td>
<td></td>
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<tr>
<td>29</td>
<td>5</td>
<td>Revenue Recognition</td>
<td>Oct 9 11:59 pm</td>
</tr>
<tr>
<td>Oct  6</td>
<td>6</td>
<td>Asset Recognition</td>
<td>Oct 16 11:59 pm</td>
</tr>
<tr>
<td>13</td>
<td>7</td>
<td>Liability Recognition</td>
<td>Oct 23 11:59 pm</td>
</tr>
<tr>
<td>20</td>
<td>8</td>
<td>Equity Recognition</td>
<td>Oct 30 11:59 pm</td>
</tr>
<tr>
<td>27</td>
<td>Review and Catch-up</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nov  3</td>
<td>EXAM II</td>
<td>Chapters 5 – 8</td>
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<tr>
<td>10</td>
<td>9</td>
<td>Intercorporate entities</td>
<td>Nov 20 11:59 pm</td>
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<tr>
<td>17</td>
<td>10</td>
<td>Off balance sheet financing</td>
<td>Nov 27 11:59 pm</td>
</tr>
<tr>
<td>24</td>
<td>Thanksgiving</td>
<td>No Classes</td>
<td></td>
</tr>
<tr>
<td>Dec  1</td>
<td>Review and Catch-up</td>
<td></td>
<td>Financial Statement Analysis Project is due Dec 1</td>
</tr>
<tr>
<td>Dec  8</td>
<td>FINAL EXAM</td>
<td>Comprehensive Final Exam 7:15-9:45</td>
<td>Graduate Paper Due Sunday, Dec 8, 2016 by 9:00 am</td>
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**Assignment Due Dates**

Homework due dates are also posted on mybusinesscourse.com website.

*The above schedule is subject to change in the event of circumstances beyond the instructor's control.*
10. Course Policies

- **Attendance/lateness**: Regular attendance is highly encouraged for a proper learning experience. Classes missed in excess of 2 scheduled class days will result in a loss of 5 points from final course average, for each excess missed day.
- **Class Participation**: Questions and discussion on the lectures and problems are encouraged.
- **Exams**: Two mid-course exams and one final exam will be given during the semester. Exams will be based on all material presented in class and the homework. If you must miss an exam due to uncontrollable circumstances, you must notify me within 24 hours of the exam. Failure to comply with this rule will result in a test score of zero.
- **Assigned homework and journal postings must be turned in on the due dates.**
- **Cell phones, electronic media**
  - During lectures: No cell phones. If there is an emergency that requires you to be on call, please inform me before class. Laptops will be allowed only when you have an e-book subscription and access to the textbook is necessary for a class activity. You may be required to verify that you have used your laptop in this manner and you must turn off Wi-Fi access. Web surfing or cell phone use while class is in session will result in negative quiz and exam outcomes and your instructor’s profound disappointment.
  - During exams: Only calculators are permitted (no cell phone calculators).
- **Weekly Postings and Project**: Individually, you will be analyzing a company (assigned by the instructor) as we progress through the semester. Each week you will be required to post to BB analysis of the company using the tools and concepts covered in class and in the text. At the end of the semester, you will submit a paper that summarizes your weekly analysis and represents the end result of a thoughtful and thorough analysis of a set of financial statements. Paper length 10 – 12 pages. For credit, don’t miss the deadlines.

11. Student Grading Processes:

**Exams**: conventional format (short answer, objective).

**Homework**: Online assignments (via mybusinesscourse)

**BB Journal Postings**: Learning the concepts and ideas presented in class requires engaging the material first hand. One way to do that is to reflect on what has been presented in class and then applying the concepts to the company you have been assigned. The journal entries must be your own words and not words of the text or online digital sources, applying the concepts covered in class. Use this assignment to reflect, apply and learn. Credit will be reduced for late posts.

**Project**: This project must be 10-15 pages in length (not including supporting tables and documents) detailing the analysis posted each week in the journals and applying the
financial statement analysis concepts presented in class and in the textbook. More details on this later.

**Graduate Research Paper:** for those taking this course for graduate credit, you will be required to conduct additional research associated with the project. More details on this will be provided after the course begins.

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<thead>
<tr>
<th></th>
<th>Undergraduate Course Credit</th>
<th>Graduate Course Credit</th>
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<tbody>
<tr>
<td>Exams (two exams and a final, equal weight)</td>
<td>40%</td>
<td>40%</td>
</tr>
<tr>
<td>Homework</td>
<td>30%;</td>
<td>30%</td>
</tr>
<tr>
<td>BB Journal Postings</td>
<td>10%;</td>
<td>10%</td>
</tr>
<tr>
<td>Project/Graduate Research Paper</td>
<td>20%</td>
<td>20%</td>
</tr>
</tbody>
</table>

A 93%-100%  A- 90%-92%
B+ 88%-89%  B 83%-87%
B- 80%-82%  C+ 78%-79%
C 73%-77%  C- 70%-72%
D+ 68%-69%  D 63%-67%
D- 60%-62%  Below 60% is not passing

12. **Available Support Services:**

*Library resources, learning center, computer center, tutoring services*

I will be available during office hours to help you with any questions you may have. You may also contact me by email and I will respond as quickly as I can.

- Resources available on Blackboard sites. (For Math, Written Communications, and Presentations, etc.)
- Tutorial Services: Students are encouraged to consult with tutors at the Tutorial Services Center when completing assignments for this course. Based on the instructor’s assessment of the student’s work, the student may be required to work with the tutors at the Center to improve the student’s skills.

**Other Items:**

Drops: Please refer to a current University catalog for details. For fall and spring semester courses officially dropped through the 17th class day are not recorded on transcripts. From the 18th day and ending with the last day of the 9th week of each semester, official drops are recorded with a “W”, and no grade is computed in GPA. Unofficial drops can result in an “F” for the course.

Withdrawals: Students may officially withdraw from the University by completing the appropriate form from the Registrar’s office. A “withdrawal from the university” notice will appear on the transcript for that semester.
The Cameron School of Business at University of St. Thomas

MISSION STATEMENT

The Cameron School of Business will serve students of diverse backgrounds, providing them the necessary professional skills for a changing global economy, and instilling in them a deep appreciation for ethical behavior as the hallmark of a successful and fulfilling business career. The Cameron School will provide its students a timely and comprehensive business curriculum, with opportunities for specialized study in major business fields. The faculty will provide quality teaching, as this is the core of our mission. As an extension of our teaching mission, the faculty will engage in scholarly activity and service to the University, the profession, and the community.

Academic Honesty Ethical conduct is essential to a community of scholars and students searching for truth. Anything less than total commitment to honesty and honorable conduct undermines the efforts of the entire community. Academic integrity lies at the very heart of any institution of higher learning. In the Cameron School of Business, students and faculty are expected to commit to a code that exemplifies each individual's honor and integrity. Any conduct that violates this standard and betrays the respect of others is a matter of grave concern and, accordingly, is deemed unacceptable.

Accommodations The University of St. Thomas abides by the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973, which stipulates that no student shall be denied the benefits of an education "solely by reason of a handicap." If you have a documented disability that may impact your performance in this class and for which you may require accommodations, you must be registered with and provide documentation of your disability to Counseling and Disability Services which is located on the second floor of Crooker Center. Contact Debby Jones or Rose Signorello at 713-525-6953 or 713-525-3162.

Teaching Philosophy

My personal teaching philosophy is built around five basic principles:

- **Accountability** – the instructor should hold students to a high standard in learning course material thereby making the student’s learning effort beneficial and worthwhile.
- **Engagement** – learning requires students to engage the course material. More engagement = more learning.
- **Efficiency/discernment** – course content is largely textbook-driven (and therefore similar to courses in most every accounting program across the country). The instructor’s role is therefore to assist student learning by: separating the essential from the important, clarifying complex material, providing appropriate emphasis to certain topics, and explaining and demonstrating how to solve problems. Students must assume responsibility for learning and asking for assistance as needed.
- **Encouragement** – the instructor should provide assurance to students that they are capable of learning and mastering course material.
- **Availability** – the instructor is available and approachable. Students should feel comfortable asking for assistance and clarification and have ample opportunity to work face to face with the instructor or otherwise contact the instructor when assistance is needed.

The instructor should not be an obstacle to get around, but rather a facilitator who sets appropriate standards of performance and then helps students to meet and exceed those standards. Underlying all of this is the assumption that you have an interest in learning the course material and not simply a desire to “check the box” towards degree completion.