1. Course Information

Course Title: Financial Statement Analysis  
Course number: FINA 5336/ACCT 5336/ACCT 3336  
Credit:  
Hours: 3  
Semester: Spring 2018  
Room #: Strake 106  
Days & hours: W 7 – 9:45 pm  
Prerequisites: MBA 5311 or equivalent  
Web page/BlackBoard site: gregory.stthom.edu

2. Instructor Information

Name: Dr. Mark Turner  
Office location: Welder 202  
Office phone: (713) 942-3477  
Office hours: M-Th 3-5pm  
Where to leave assignments: Bring it to class or leave it with the staff in CSB office  
E-mail: turnerma@stthom.edu  
Fax number: (713) 525 2110  
Emergency contact: turnerma@stthom.edu

3. Course Catalog Description

Financial Statement Analysis focuses on the teaching the student how to read, analyze and interpret financial statement data to make informed business decisions. It trains the student in understanding the economic ramifications of transactions and their impact on financial statements. The primary goal of this course is the application of accounting knowledge to solving real business problems.

4. Program Learning Goals

**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**
   - Objective 1: Students will identify accounting dilemmas, citing relevant ethical and moral authority.
   - Objective 2: Students will apply accounting ethical standards to business situations

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

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

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

**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:

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

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

**Goal 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 will develop a variety of ethical alternatives for resolving or at least addressing, a problem in business.

**Goal 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.

**Goal 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.

**Goal 6.** They will be knowledgeable about multiple business disciplines.
**MSF Learning Goals**

The Master of Science in Finance (MSF) program at the University of St. Thomas has five goals:

**Goal 1: Core of Finance Knowledge**
- **Objective 1:** Demonstrate competency in the field by linking core financial knowledge with financial and business environments to draw valid conclusions.
- **Objective 2:** Demonstrate competency in conducting financial research and analyses.

**Goal 2: Analytical and Critical Thinking Skills**
- **Objective 1:** Demonstrate skills in analyzing financial reports.
- **Objective 2:** Evaluate data thoroughly.

**Goal 3: Ethical Awareness**
- **Objective 1:** Identify ethical standards and accountability as applicable to the financial regulations and financial aspects of business decisions.
- **Objective 2:** Apply ethical standards and accountability to the financial regulations and financial aspects of business decisions.

**Goal 4: Global Awareness**
- **Objective 1:** Demonstrate knowledge of dynamic global financial markets.
- **Objective 2:** Develop portfolio strategies of allocating global financial assets.

**Goal 5: Leadership and Communication Skills**
- **Objective 1:** Graduates will develop and deliver a compelling oral presentation grounded in relevant information and facts.
- **Objective 2:** Graduates will write professional quality documents.
- **Objective 3:** Graduates will foster teamwork and clarify roles and responsibilities.

---

**5. Course Learning Objectives**

This course will enable students to read and understand financial statements and use them to facilitate business decisions.

- **Technical knowledge and skills:** an in-depth understanding of each element of the financial statements under current US GAAP.
- **Practical application:** Be able to use financial statements to make credit and investment decisions.
- **Critical thinking:** the ability to analyze information and ideas from multiple perspectives in a logical manner, and to think creatively.
- **Inquiry and information literacy:** the ability to locate, evaluate, and use the methods, resources and technologies available in the fields of accounting and finance.

*These course learning objectives are generally intended to address the knowledge, analytical and critical thinking goals identified in each of the programs that this course can be identified with.*

**6. Texts, Readings, Materials**

**Required text citation:** Financial Accounting for Executives and MBAs, 4e by Simko, Ferris, Wallace| ISBN: 978-1-61853-198-8 | Copyright 2017

Online LMS: [https://mybusinesscourse.com/?code=6738-18932](https://mybusinesscourse.com/?code=6738-18932) A subscription is included in your new textbook purchase. Please go to the following website and register for this class with your stthom email and full name.

**Required readings:** Please check Blackboard under “Course Documents” for additional materials relevant to the course.

**Supplementary readings:** Suggested: *The Wall Street Journal, BusinessWeek.*

**7. Instructional methods:** lecture, group discussion, class problem solving, projects, etc.
8. Technology

Please identify IT assignments that utilize any of the following five types:

1) **Online data retrieval and/or research**: Term paper, case studies, group work
2) **Online communication or collaboration**: Homework
3) **Use of general productivity software (e.g., Microsoft Office) to complete assignment**: Homework and other assignments
4) **Use of BlackBoard learning platform**

9. Course Tentative Schedule:

<table>
<thead>
<tr>
<th>Date</th>
<th>Chapter</th>
<th>Topic</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 24</td>
<td>1</td>
<td>Course Introduction and Economic Environment of Acct Information</td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>2</td>
<td>From Business Events to Financial Statements</td>
<td></td>
</tr>
<tr>
<td>Feb 7</td>
<td>3</td>
<td>Measuring Performance: Cash Flow and Net Income</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>4</td>
<td>Using Financial Statements for Investing and Credit Decisions</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td></td>
<td>Exam I Chapters 1,2,3 and 4</td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>5</td>
<td>Operating Cycle, Revenue Recognition and Receivables Valuation</td>
<td></td>
</tr>
<tr>
<td>Mar 7</td>
<td>6</td>
<td>Operating Expenses, Inventory Valuation, and Accounts Payable</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td></td>
<td><strong>Spring Break – no classes</strong></td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>7</td>
<td>Long Lived Assets, Intangible Assets, and Natural Resources</td>
<td></td>
</tr>
<tr>
<td>28</td>
<td></td>
<td>Exam II Chapters 5,6 and 7</td>
<td></td>
</tr>
<tr>
<td>Apr 4</td>
<td>8</td>
<td>Investing in Other Entities</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>9</td>
<td>Debt Financing: Bonds, Notes, and Leases</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>11</td>
<td>Equity Financing and Shareholder's Equity</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>12</td>
<td>Using Accounting Information in Equity Valuation</td>
<td></td>
</tr>
<tr>
<td>May 2</td>
<td></td>
<td>Review and Catchup</td>
<td></td>
</tr>
<tr>
<td>May 9</td>
<td></td>
<td>Exam III Chapters 8, 9, 11, and 12; 7-9:30pm</td>
<td></td>
</tr>
</tbody>
</table>

These times and topics are tentative and subject to change at the instructor’s discretion, based on the needs of the class and circumstances as they arise.

10. Course Policies

- **Attendance/lateness**: Regular attendance is highly encouraged for a proper learning experience. If more than 10% of the scheduled classes are missed, 5 points will be deducted from your course average.
- **Class Participation**: Questions and discussion on the lectures and problems are encouraged.
- **Make-up Exams**: Three exams will be given during the semester. Exams will be based on all material presented in class and the homework. If you have a schedule conflict with the exam date you must notify me within 24 hours prior to the exam. Failure to comply with this rule will result in a test score of zero.
- **Missed Assignments**: At the end of most chapters, individual homework assignments are required via the mybusinesscourse.com website. The homework must be completed by the due dates.
- **Exams**: There will be three equally weighted exams.
- **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 for taking notes during class. Web surfing while class is in session will result in negative marking on examinations and very distracted and irritated instructor.

During exams: Only calculators are permitted (no cell phone calculators).

- Assignments due for this class:
  - Homework
  - Company Analysis, completed either individually or with a partner. Following the consideration of each chapter, you will be required to prepare an analysis of the company you have selected, applying what was learned in the chapter. A final report will be required that compiles the work completed during the semester, taking into consideration the comments on progress reports.

- Late Policy: No credit for late homework.

11. Student Grading Processes: (including weighting of factors)

<table>
<thead>
<tr>
<th>Component</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exams (three exams, equally weighted)</td>
<td>60%</td>
</tr>
<tr>
<td>Homework</td>
<td>20%</td>
</tr>
<tr>
<td>Project: Company Analysis</td>
<td>20%</td>
</tr>
</tbody>
</table>

The company selected for analysis, must be outside the Fortune 100 list of industrialized U.S. Corporations.

**Those taking the course for graduate credit will be required to incorporate additional analysis into their company analysis as will be described at a later date.**

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.

1. Resources available on Blackboard sites. (For Math, Written Communications, and Presentations, etc.)
   a. For graduate students: CSB Resource Site for Graduate Students.

2. 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.

Safety: Take a look at the emergency preparedness guide: [www.stthom.edu/ready](http://www.stthom.edu/ready).

Important Note: The *CSB Comprehensive Test for the MSA and MFA program* is a comprehensive test on all subjects covered in the MSA program and will be administered in the capstone course of the program. **Questions on topics from the core/required courses will appear on the CSB Comprehensive Tests.**

UST Mission Statement

We are the University of St. Thomas, the Catholic university in the heart of Houston. We are committed to the Catholic intellectual tradition and the dialogue between faith and reason. By pursuing excellence in teaching, scholarship, and service, we embody and instill in our students the core values of our founders, the Basilian Fathers: goodness, discipline, and knowledge.

We foster engagement in a diverse, collaborative community. As a comprehensive university
grounded in the liberal arts, we educate students to think critically, communicate effectively, succeed professionally, and lead ethically.

CSB Mission Statement

Inspired by the Basilian Fathers’ motto of "Goodness, Discipline, and Knowledge," the Cameron School of Business provides a comprehensive, high quality, ethically-oriented business education to a diverse student body that enables graduates to serve as leaders of faith and character in a global economy.

Department of Accounting
Mission Statement

Consistent with the mission of the Cameron School of Business, the Department of Accounting strives to be a leader in preparing students for successful and rewarding careers as accounting practitioners. This mission is supported by effective teaching and a relevant curriculum that prepares students for a rapidly-changing global and technological society. It is further supported by relevant intellectual contributions through research and service to the university and the profession. The faculty members are committed to ethical values, continuous improvement, and mutual respect within a diverse campus 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 her or his disability." 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.