

# ACCT 2003 FINANCIAL STATEMENT ANALYSIS (UG)

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**Credit Points** 10

**Legacy Code** 200582

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**Description** This subject provides a substantial grounding in the theories and practices of financial statement analysis so as to enable the student to make knowledgeable decisions relating to the financial analysis of firms. Topics covered include an overview of financial reporting, income vs cash flows, overview of financial statement analysis, data issues in analysing financial statements, GAAP and income recognition and asset valuation, GAAP and liability recognition and related expenses, GAAP inter-corporate entities, profitability analysis, risk analysis, pro forma financial statements, valuation using cash flows and valuation using earnings.

**School** Business

**Discipline** Accounting

**Student Contribution Band** HECS Band 4 10cp

Check your HECS Band contribution amount via the Fees ([https://www.westernsydney.edu.au/currentstudents/current\\_students/fees/](https://www.westernsydney.edu.au/currentstudents/current_students/fees/)) page.

**Level** Undergraduate Level 2 subject

**Equivalent Subjects** ACCT 2002 - Financial Statement Analysis

**Assumed Knowledge**

Successful completion of principles of accounting, finance and business statistics subjects at university level.

## Learning Outcomes

On successful completion of this subject, students should be able to:

1. Identify and understand the impact of the prevailing economic and business environment and their effect on a company's performance.
2. Analyse financial reporting objectives, processes and outcomes.
3. Analyse financing, investing, and operating activities.
4. Apply financial analysis to assess liquidity, solvency, performance, financial direction and valuation (historical and prospective).
5. Have a critical knowledge of the literature relevant to financial statement analysis.
6. Relate the financial statement analysis literature to real world situations.

## Subject Content

This subject begins with a discussion of the role of accounting information and intermediaries in the economy, and how financial analysis can create value in well-functioning markets. Four key components of effective financial statement analysis are identified:

- business strategy analysis
- accounting analysis
- financial analysis
- Prospective analysis

Teaching Periods