

ACCT90002 Financial Statement Analysis

Credit Points:	12.50
Level:	9 (Graduate/Postgraduate)
Dates & Locations:	2010, Parkville This subject commences in the following study period/s: Semester 1, Parkville - Taught on campus. Semester 2, Parkville - Taught on campus.
Time Commitment:	Contact Hours: One 3-hour seminar per week Total Time Commitment: Estimated total time commitment of 120 hours per semester
Prerequisites:	Acceptance into the Master of Accounting or 306-683 Corporate Reporting (/view/2010/306-683) or equivalent
Corequisites:	None
Recommended Background Knowledge:	None
Non Allowed Subjects:	None
Core Participation Requirements:	For the purposes of considering requests for Reasonable Adjustments under the Disability Standards for Education (Cwth 2005), and Students Experiencing Academic Disadvantage Policy, academic requirements for this subject are articulated in the Subject Description, Subject Objectives, Generic Skills and Assessment Requirements for this entry. The University is dedicated to provide support to those with special requirements. Further details on the disability support scheme can be found at the Disability Liaison Unit website: http://www.services.unimelb.edu.au/disability/
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Subject Overview:	An examination of the role of financial statement information and analysis in the evaluation of the current profitability, liquidity and riskiness of public companies, and the prediction of their future condition by parties external to the firm. Topic coverage includes traditional ratio analysis; the efficient market hypothesis and the use of accounting numbers in lending decisions and the prediction of financial distress.
Objectives:	On successful completion of this subject, students should be able to: <ul style="list-style-type: none"> # Describe the impact of the institutional framework and regulatory forces that shape financial statements; # Describe the impact that choices among permissible accounting methods may have on the figures reported in financial statements; # Identify and discuss the incentives facing those who prepare financial statements within companies and explain how these incentives may influence financial disclosures; # Amend reported accounting data according to the purpose of the analysis; # Analyse financial statement information to assess the performance of management and profitability; # Analyse financial statement information to assess the financial position (solvency and liquidity) and to make predictions about corporate survival; # Use financial statements and other data to conduct in-depth analyses of public companies for valuation and risk assessments by creditors and investors; # Describe the impact of financial statements as shown by capital market research.

Assessment:	2-hour end-of-semester examination (50%) Class activities (preparation/participation/cases/ tests) (20%) Comprehensive assignment up to 3000 words (30%) Note: Successful completion of this subject requires a pass (50%) in the final exam.
Prescribed Texts:	You will be advised of prescribed texts by your lecturer.
Breadth Options:	This subject is not available as a breadth subject.
Fees Information:	Subject EFTSL, Level, Discipline & Census Date, http://enrolment.unimelb.edu.au/fees
Generic Skills:	On successful completion of this subject, students should have improved the following generic skills: <ul style="list-style-type: none"> # Critical evaluation of financial reporting and disclosure problems # Evaluation, adjustment, analysis and interpretation of relevant accounting information # The ability to access data and research information from a variety of sources # Problem solving # Oral and written communication # Collaborative learning
Notes:	Students cannot gain credit for 306-610 Financial Statement Analysis if they have previously completed 306-667 Accounting Information and Security Valuation.
Related Course(s):	Master of Accounting Master of Accounting Master of Commerce - Finance Master of Finance Master of Financial Management Postgraduate Diploma in Finance