

306-610 Financial Statement Analysis

Credit Points:	12.500
Level:	Graduate/Postgraduate
Dates & Locations:	2008, This subject commences in the following study period/s: Semester 1, - Taught on campus.
Time Commitment:	Contact Hours: One 3-hour seminar per week (Semester 1). Total Time Commitment: Not available
Prerequisites:	Acceptance into the Master of Accounting or 306-683 Corporate Reporting or equivalent.
Corequisites:	None
Recommended Background Knowledge:	None
Non Allowed Subjects:	None
Core Participation Requirements:	<p><p>For the purposes of considering request for Reasonable Adjustments under the Disability Standards for Education (Cwth 2005), and Student Support and Engagement Policy, academic requirements for this subject are articulated in the Subject Overview, Learning Outcomes, Assessment and Generic Skills sections of this entry.</p> <p><p>It is University policy to take all reasonable steps to minimise the impact of disability upon academic study, and reasonable adjustments will be made to enhance a student's participation in the University's programs. Students who feel their disability may impact on meeting the requirements of this subject are encouraged to discuss this matter with a Faculty Student Adviser and Student Equity and Disability Support: http://services.unimelb.edu.au/disability</p></p> </p>
Coordinator:	TBA
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.
Assessment:	A 2-hour end-of-semester examination (50%), class activities (preparation/participation/cases) (10%) and assignments totalling not more than 5000 words (40%). Successful completion of this subject requires a pass (50%) in the final exam.
Prescribed Texts:	None
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:	<p>On successful completion of this subject, students should be able to:</p> <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;

	<p># Describe the impact of financial statements as shown by capital market research.</p> <p>On successful completion of this subject, students should have improved the following generic skills:</p> <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
Related Course(s):	Master of Accounting Master of Accounting Master of Commerce - Finance Master of Financial Management Postgraduate Diploma in Finance