

COURSE PLAN

Course title	Fundamentals of Financial Analysis
Aims of the course	<p>The aim of the course is to equip students with a set of accounting and financial tools that enables them to interpret and critique financial information from a variety of sources and to make informed and effective financial decisions that directly impact company operations and the stakeholders within.</p> <p>The course provides a practical approach to the crucial accounting and finance issues that affect organisations in today's business environment. First, to contextualise, the course describes 'the financial landscape'. The course then examines the application of financial and management accounting 'tools' relevant to critical financial decisions, including key performance indicators, breakeven analysis, working capital management techniques and the budgeting process. This is followed by a consideration of financial management and the decisions faced by organisations on investment (what projects), finance (what type of finance) and dividend (pay or retain) and how an organisation analyses and takes action on each of those decisions.</p>
Learning outcomes	<p>On completion of the course, students will be able to:</p> <ul style="list-style-type: none"> • demonstrate an applied understanding of finance and accounting concepts relevant to general management roles. • critically analyse external financial statements and make informed decisions through the identification and application of appropriate KPIs. • evaluate management accounting decision-making techniques and apply them in relevant internal and external situations. • develop a critical awareness of the time value of money, risk, future returns and the capital investment decision. • engage effectively in management discussions on finance and accounting issues

	<ul style="list-style-type: none"> • make informed, reasoned and sustainable decisions on capital investment programmes. • critically analyse and propose reasoned solutions to questions of capital allocation, retention and distribution
LIST OF TOPICS	
Week I	<p>Lectures: The Financial Landscape Atrill, P. & McLaney E (2019), Financial Accounting for Decision Makers, Chapter 1 & 12</p> <p>This module has set the scene for the remainder of this course. Students should now be familiar with the basic concepts of financial accounting, management accounting and financial management.</p> <p>In addition, they should have a greater understanding of the environment within which accounting and finance operate, from both an economic and a financial markets perspective.</p> <p>Finally, students should be able to understand and explain the relevance to accounting and finance of corporate oversight, ethics and corporate social responsibility.</p> <p>Tutorial 1: Financial landscape exercises and critical discussion</p>
Week II	<p>Lecture: Financial Accounting Atrill, P. & McLaney E (2019), Financial Accounting for Decision Makers, Chapter 2</p> <p>On completing this module, students will be able to:</p> <ul style="list-style-type: none"> • understand and analyze an organisation's income statement, statement of financial position and historic cash flow statement; • comment on the organisation's performance, its assets and liabilities, and its cash position; • compile and interpret a cash flow statement using the information provided by the income statement and statement of financial position <p>Tutorial 2: Group work on consolidated financial statements</p>
Week III	Lecture: Financial Accounting continuation

	<p>Atrill, P. & McLaney E (2019), Financial Accounting for Decision Makers, Chapter 3</p> <p>On completing this module, students will be able to:</p> <ul style="list-style-type: none"> • calculate a range of relevant ratios from a company's financial statements, interpret and analyse them and • provide a meaningful commentary on the financial performance of a business, using the calculated ratios to illustrate it. <p>Tutorial: Firm analysis and commentary</p>
Week IV	<p>Lecture: Working Capital Management Atrill, P. & McLaney E (2019), Financial Accounting for Decision Makers, Chapter 8</p> <p>On completing this module, students will be able to:</p> <ul style="list-style-type: none"> • identify the particular components of working capital in any given scenario; • apply and evaluate a variety of techniques used to manage the different components of working capital; • determine, analyse and interpret the adequacy of working capital elements at different levels of business activity; and • critically evaluate how an organisation finances its working capital requirement. <p>Tutorial: Case study and working capital exercises</p>
Week V	<p>Lecture: Management Accounting 1 Atrill, P. & McLaney E (2019), Management Accounting for Decision Makers, Chapter 2&3</p> <p>The aim of this module is to equip students with a critical knowledge and understanding of the key management accounting techniques and how to select and apply these to make informed decisions in both internal and external business scenarios.</p> <p>On completing this module, students will be able to:</p> <ul style="list-style-type: none"> • explain and apply relevant costing principles in a decision-making scenario; • calculate and evaluate the breakeven position for an organisation;

	Tutorial: Case study Breakeven position
Week VI	<p>Lecture: Management Accounting 2 Atrill, P. & McLaney E (2019), Management Accounting for Decision Makers, Chapter 3&4</p> <p>The aim of this module is to equip students with a critical knowledge and understanding of the key management accounting techniques and how to select and apply these to make informed decisions in both internal and external business scenarios. On completing this module, students will be able to:</p> <ul style="list-style-type: none"> • identify scarce resources and apply limiting factor analysis in a given scenario; and • apply appropriate methods of overhead allocation. <p>Tutorial: Case study Limiting factors and Activity based costing</p>
Week VII	Mid term test (April 1st 2025)
Week VIII	Mid term Test – Resit (April 8th 2025)
Week IX	<p>Lecture: Budgeting 1 Atrill, P. & McLaney E (2019), Management Accounting for Decision Makers, Chapter 6</p> <p>On completing this module, students will be able to:</p> <ul style="list-style-type: none"> • evaluate appropriate budgeting systems in a given scenario; • apply critical quantitative techniques, such as learning curves, in the budgeting process; <p>Tutorial: Case study, Budgeting</p>
Week X	<p>Lecture: Budgeting 2 Atrill, P. & McLaney E (2019), Management Accounting for Decision Makers, Chapter 6</p> <p>On completing this module, students will be able to:</p> <ul style="list-style-type: none"> • identify the critical numeric components of a budget and how to compile these into profit budgets and cash budgets; and

	<ul style="list-style-type: none"> • develop a critical understanding of the budget control process and calculate appropriate variances between budgeted and actual results. <p>Tutorial: Case study, forecasting</p>
Week XI	<p>Lecture: Financial Tools Atrill, P. & McLaney E (2019), Management Accounting for Decision Makers, Chapter 8 On completing this module, students will be able to:</p> <ul style="list-style-type: none"> • calculate, analyse and interpret the basic financial appraisal techniques of accounting rate of return and payback period; • calculate future values using simple and compound interest methodologies; • understand and apply discounting techniques (net present value, internal rate of return and discounted payback period) in a financial appraisal scenario; and • calculate the cost of equity, the cost of debt and the weighted average cost of capital, and apply these in a financial appraisal scenario. <p>Tutorial: Case study, financial tools</p>
Week XII	<p>Lecture: Capital budgeting and investment appraisal Atrill, P. & McLaney E (2019), Management Accounting for Decision Makers, Chapter 8&9 On completing this module, students will be able to:</p> <ul style="list-style-type: none"> • demonstrate a critical understanding of the long-term capital investment appraisal process; • identify, calculate and apply the relevant cash flows and cost of capital in an investment appraisal scenario; • demonstrate a critical understanding of the impacts of taxation, inflation and working capital on the cash flows used in capital investment appraisal; and • identify and apply appropriate risk and uncertainty measures in the investment appraisal process.

	Tutorial: Case study, Capital budgeting and investment appraisal
Week XIII	<p>Lecture: Financing and payout policy 1 Atrill, P. & McLaney E (2019), Management Accounting for Decision Makers, Chapter 10</p> <p>On completing this module, students will be able to:</p> <ul style="list-style-type: none"> • identify and discuss short- and long-term types of finance; • demonstrate a critical understanding of the capital structure decision in a commercial organisation; • assess the impact of both debt and equity finance in a given scenario; and • discuss how a company determines its dividend policy and demonstrate a critical understanding of the practical influences on the dividend decision. <p>Tutorial: Case study, Financing and payout policy</p>
Week XIV	<p>Lecture: Financing and payout policy 2 Atrill, P. & McLaney E (2019), Management Accounting for Decision Makers, Chapter 10</p> <p>On completing this module, students will be able to:</p> <ul style="list-style-type: none"> • identify and discuss short- and long-term types of finance; • demonstrate a critical understanding of the capital structure decision in a commercial organisation; • assess the impact of both debt and equity finance in a given scenario; and • discuss how a company determines its dividend policy and demonstrate a critical understanding of the practical influences on the dividend decision. <p>Tutorial: Case study, Financing and payout policy</p>
Week XV	Revision of all materials, both lectures and tutorials
Reading materials	<p>The core textbooks for this course are:</p> <ul style="list-style-type: none"> - Atrill, P. & McLaney E (2019), Financial Accounting for Decision Makers, 9th edition, Pearson. - Atrill, P. & McLaney E (2019), Management Accounting for Decision Makers, 9th edition, Pearson.

	<p>Additional books. For further background, those seeking additional information will find the following books useful:</p> <ul style="list-style-type: none"> • Robinson, T. (2020), International Financial Statement Analysis, 4th edition, Wiley and Sons. • Elliott, B. and Elliot, J. (2019), Financial Accounting and Reporting, 19th edition, Pearson. • Pike, R., Neale, B. and Akbar, S. (2018) Corporate Finance and Investment: Decisions and Strategies. 9th edition, Harlow, Pearson Education. <p>Journal articles. During the course you will be directed to read the following articles:</p> <ul style="list-style-type: none"> • Carnegie, G., Parker, L. and Tsahuridu, E., (2021). It's 2020: What is Accounting Today? Australian Accounting Review, Vol. 31(1), pp.65-73. • Baruch Lev (2018) The deteriorating usefulness of financial report information and how to reverse it. Accounting and Business Research. Vol. 48(5), pp. 465-493 • Nick Anderson (2018) 'The deteriorating usefulness of financial report information and how to reverse it': a practitioner view. Accounting and Business Research. Vol. 48(5), pp. 494-496. • Corey, S., Campbell, S. and Jones, K.T. (2013) Analyzing Liquidity: using the cash conversion cycle. Journal of Accountancy. Vol. 215(5). AICPA. • Well, J.T (2001) Irrational Ratios. Journal of Accountancy. Vol. 192(2) AICPA. • Brennan, N.M. (2021). Connecting Earnings Management to the Real World: What happens in the black box of the boardroom? The British Accounting Review. In Press. • Waraich, S. 2020. Luckin Coffee's Accounting Scandal: Leaving Investors with a Bitter Taste. International Journal of Economics & Finance Research & Applications. Vol 4(1), pp. 2581-4249. • Boddy, C.R. (2011). The corporate psychopath's theory of the global financial crisis. Journal of Business Ethics, Vol. 102(2), pp.255-259. • Cole, R., Johan, S. and Schweizer, D. (2021) Corporate failures: Declines, collapses and scandals. Journal of Corporate Finance. Vol 61. • Fasan M. (2013). Annual Reports, Sustainability Reports and Integrated Reports: Trends in Corporate Disclosure. In: Busco C., Frigo M., Riccaboni A.,
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	<p>Quattrone P. (eds) Integrated Reporting. Springer, Cham.</p> <ul style="list-style-type: none"> • Kolsi, M.C. and Grassa, R. (2017). Did corporate governance mechanisms affect earnings management? Further evidence from GCC Islamic banks. International Journal of Islamic and Middle Eastern Finance and Management. Vol. 10(1), pp. 2-23. • Li, Y., Gong, M., Zhang, XY, Koh, L. (2018). The impact of environmental, social, and governance disclosure on firm value: The role of CEO power. The British Accounting Review. Volume 50(1), pp. 60-75. • Sherman HD, Young SD. (2016). Where Financial Reporting Still Falls Short. Harvard Business Review. Vol. 94(7/8), pp.76-84.
Semestral assessment	<p>Midterm Exam (40%) April 1st 2025 (Resit April 8th) Format: 2 x mini-scenarios, each comprising one or more short questions with each mini-scenario worth 20 marks (Online submission)</p> <p>Final Exam (30% plus 20%) Online submission deadline: June 2nd 2025 3 x larger scenario-based case studies, comprising a mix of numeric and narrative assessment, worth 50 marks in total (each case study worth 15+15+20 marks) Mark is split between report (30% report) and in-person presentation (20%- to be organized on June 3rd, 2025 at 9am). (Online submission plus in person presentation) Final exam Resit 10th June at 9am- in person only</p> <p>Class Participation (10%) Active participation in class discussions, case studies, and in-class exercises. Purpose: To encourage engagement with the material and collaborative learning among students.</p>
List of lecturers (academic)	Dr Jelena Janjusevic, Associate Professor Dr Milica Vukcevic, Teaching Assistant
Name of the course coordinator	Dr Jelena Janjusevic, Associate Professor
List of visiting lecturers (experts), (where applicable)	