

Financial statement analysis and corporate valuation Course Syllabus

Course Chinese Title: 财务报表分析与公司估值	Course Category (Compulsory/ Elective) : Compulsory
Course English Title: Financial statement analysis and corporate valuation	
Total Hours/ Hours Per Week/ Credit(s): 36/4/9	Lab Practice/ Practical Hours: 0
Prerequisites: Financial accounting and Economics	
Teaching Time: Weeks 1-9 Monday and Wednesday 10:25-12:00	Classroom: Room 2403, Guancheng Campus
Class: 2017 Economics and Finance (Financial Management Industry-University International Program)	
College: Economics and Management	
Instructor Name/ Academic Title: Huang Chunyang / Lecturer	
Office Hour: Tuesday 14:30-16:00 at 3207 Guancheng Campus; by appointment	
Course Assessment Method: Open book () Close book (√) Report () Other ()	
Required Textbook: Financial statement analysis and security valuation (5th edition), Stephen Penman, 2016, Machinery Industry Press	
Supplementary Materials: other materials will be distributed in the classes	
Course Description: This course covers two inter-related topics in finance – financial statement analysis and its application to corporate valuation. It introduces the basic principles, methods, and techniques in financial statement analysis and corporate valuation. Subjects such financial ratio analysis, trend analysis, common-side analysis, capital expenditure, working capital, free cash flows, economic value added, abnormal earnings, etc. will be discussed.	
<p style="text-align: center;">Course Objectives</p> <p>After this course, you should be able to:</p> <p>LO1: understand the key concepts, principles and theories in financial statement analysis and corporate valuation;</p> <p>LO2: understand the tool and models in financial statement analysis and corporate valuation;</p>	

LO3: apply the learned knowledge to implement your own financial statement analysis and corporate valuation.

Course Plan								
Week	Topic	Instructor	Hours	Expected Learning Outcomes	Instructional Mode	Activities	Assignment	Supporting Course Objectives
1	Course introduction and balance sheet analysis	Huang Chunyang	4	Understanding the concepts and structure of balance sheet Ethical and political learning: discussion on accounting standard in corporate communication should help students in understanding the importance of common value	offline	lecture		LO1, 2, 3
2	Income statement analyses	Huang Chunyang	4	Understanding the concepts and structure of income	offline	lecture		LO1, 2, 3

				statement				
3	Cash flow statement analysis	Huang Chunyang	4	Understanding the concepts and structure of cash flow statement				
4	deriving free cash flows to the firm (FCFF) from financial statements	Huang Chunyang	4	<p>derive free cash flow from individual financial statement items</p> <p>Ethical and political learning: the concept of free cash flow should help students in understanding the value of creativity</p>	offline	lecture		LO1, 2, 3
5	Discounted cash flows models for valuation	Huang Chunyang	4	<p>Calculating the value of a firm based on discounted cash flow models</p> <p>Ethical and political learning: DDM models shows that the majority of a firm's value</p>	offline	lecture		LO1, 2, 3

				depends on the firm's earnings over a long period of times, which should encourage students for long-term investment.				
6	<p>Dividend Discounted Model (DDM) for stock valuation</p> <p>Focus: forecasting future dividends</p> <p>Difficulties: estimation of discounted factors</p>	Huang Chunyang	4	Valuation of a firm based on DDM model	offline	lecture		LO1, 2, 3
7	Free Cash Flows to the Firm (FCFF) valuation model	Huang Chunyang	4	Valuation of a firm based on FCFF model	offline	lecture		LO1, 2, 3
8	Economic value added (EVA) and Abnormal Earnings (AE) valuation models	Huang Chunyang	4	Valuation of a firm based on EVA model	offline	lecture		LO1, 2, 3
9	Relative valuation models	Huang Chunyang	4	Valuation of a firm based on PE, PB, PS, and PEG models	offline	lecture		LO1, 2, 3
Total:			32					

Assessment and Grading			
Assessment Method	Evaluation Criteria	Percentage (%)	Supporting Course Objectives
Attendance	If you are late or leave early, your grade will be taken one point each time. If you are absent for one class, the taken point will be 2 for each absentee. Give questions is a good way to get points in attendance.	20%	LO 1, 2, 3
Team paper	You are required to work in groups (with not more than 4 members in a team) to analyze the financial statement of a listed company based on the knowledge from the course, and make your group presentation.	30%	LO 1, 2, 3
Final exam	The final exam will be a close book exam. Questions on the exam cover the key contents from the lectures.	50%	LO 1, 2, 3
Syllabus Submission Date: August 28, 2020			
<p>School Reviewal:</p> <p style="text-align: center;">Approved</p> <p style="text-align: right;">Signature: 洪志远</p> <p style="text-align: right;">Date: 2020.08.29</p>			