

## **ACCT 6344.PPA - Course Syllabus**

### **Course Information**

<i>Course Number/Section</i>	ACCT 6344.PPA
<i>Course Title</i>	Financial Statement Analysis
<i>Term</i>	2024 Fall (8/19/2024 to 10/6/2024)

### **Professor Contact Information**

<i>Professor</i>	Dr. Umit G. Gurun
<i>Office Phone</i>	972-883-5917
<i>Email Address</i>	<a href="mailto:umit.gurun@utdallas.edu">umit.gurun@utdallas.edu</a>
<i>Office Location</i>	JSOM 4.813
<i>Online Office Hours</i>	Wednesday 8:30-11:30 CDT
<i>Other Information</i>	Email me directly.

### **About the Instructor**

Dr. Gurun is a professor and has been teaching at University of Texas at Dallas for more than 10 years. He teaches financial statement analysis and investment courses at UTD. He was a visiting faculty at University of Texas at Austin (2010-2011) and Harvard University (2014). His research interests include disclosure strategies of firms to communicate investors using financial statement analysis.

### **Course Description**

Analysis of financial statements for evaluating firm performance and risk. Topics include interpretation of financial statements and footnotes, managers' incentives for earnings manipulation, comparative analysis of firms, and ethics in financial reporting.

### **Student Learning Objectives/Outcomes**

This course provides you with a framework for business analysis and valuation using financial statement data. The focus is on integrating key concepts from accounting, economics, finance, and strategy areas and applying them to financial decision-making. You can expect to develop the following skills:

- (1) Extract relevant information from financial statements and other disclosures to see the underlying business activities and strategy,
- (2) Assess firm performance and risk,
- (3) Assess managerial strategic motives in reporting financial information and ways to adjust for such motives,
- (4) Forecast firm future performance
- (5) Value the firm or project

By the end of the course students should have answers to the following questions:

- How are fundamental values (or “intrinsic values”) estimated?
- How is “value created for shareholders” identified?
- What is the relevance of cash-flows? Of earnings? Of book values?
- How does profitability tie into valuation?

- What is growth? How does one analyze growth?
- How does one analyze the quality of financial reports?
- How does one deal with the accounting methods used in financial statements?

## **Required Textbooks and Materials**

### *Required Texts*

"Financial Statement Analysis & Valuation" by Peter Easton, Mary Lea McAnally, Sommers. **7. edition (ISBN: 978-1-61853-625-9)**. The book is available at the UTD bookstore and the Cambridge Business Publishers website. *Make sure that the book you purchase has "mybusinesscourse" package.*

### *Required Materials*

You will also need to get access to the book's website that contains several course materials we will utilize throughout the course. To access this site, please do the following:

- Go to mybusinesscourse website created for this course:  
<https://mybusinesscourse.com?code=1106-7603-2032>
- Click enroll and create a new account. **Make sure that your username is your "UTD email address".**
- Pick one of the purchase options for the online access.
- mybusinesscourse will contain quizzes and video solutions to some of the end of chapter problems.

## **Suggested Course Materials**

- Financial Statement Analysis and Security Valuation Hardcover – by Stephen Penman
- Financial Statement Analysis Hardcover – by K. R. Subramanyam
- The Intelligent Investor: The Definitive Book on Value Investing. A Book of Practical Counsel, by Benjamin Graham
- The Essays of Warren Buffett: Lessons for Corporate America, by Warren E. Buffett (Author), Lawrence A. Cunningham

Textbooks and some other bookstore materials can be ordered online or purchased at the [UT Dallas Bookstore](#).

## **Technical Requirements**

In addition to a confident level of computer and Internet literacy, certain minimum technical requirements must be met to enable a successful learning experience. Please review the important technical requirements on the [Getting Started with eLearning](#) webpage.

## **Course Access and Navigation**

This course can be accessed using your UT Dallas NetID account on the [eLearning](#) website.

Please see the course access and navigation section of the [Getting Started with eLearning](#) webpage for more information.

To become familiar with the eLearning tool, please see the [Student eLearning Tutorials](#) webpage.

UT Dallas provides eLearning technical support 24 hours a day, 7 days a week. The [eLearning Support Center](#) includes a toll-free telephone number for immediate assistance (1-866-588-3192), email request service, and an online chat service.

### **Communication**

This course utilizes online tools for interaction and communication. Some external communication tools such as regular email and a web conferencing tool may also be used during the semester. For more details, please visit the [Student eLearning Tutorials](#) webpage for video demonstrations on eLearning tools.

Student emails and discussion board messages will be answered within 3 working days under normal circumstances.

### **Distance Learning Student Resources**

Online students have access to resources including the McDermott Library, Academic Advising, The Office of Student AccessAbility, and many others. Please see the [eLearning Current Students](#) webpage for more information.

### **Server Unavailability or Other Technical Difficulties**

The University is committed to providing a reliable learning management system to all users. However, in the event of any unexpected server outage or any unusual technical difficulty which prevents students from completing a time sensitive assessment activity, the instructor will provide an appropriate accommodation based on the situation. Students should immediately report any problems to the instructor and also contact the online [eLearning Help Desk](#). The instructor and the eLearning Help Desk will work with the student to resolve any issues at the earliest possible time.

## Academic Calendar

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Meeting	Starting on	Module	Topics
1	8/19/24	Module 1	Framework for Analysis and Valuation
2	8/21/24	Module 2	Review of Business Activities and Financial Statements
<b>Online Quiz #1 &amp; 2 (due 8/25)</b>			
3	8/26/24	Module 3	Profitability Analysis and Interpretation
4	8/28/24	Module 4	Credit Risk Analysis and Interpretation
<b>Online Quiz #3 &amp; 4 (due 9/1)</b>			
5	9/2/24	Module 5	Revenue Recognition and Operating Income
6	9/4/24	Module 6	Asset Recognition and Operating Assets
<b>Online Quiz #5 &amp; 6 (due 9/8)</b>			
7	9/9/24	Module 7	Liability Recognition and Non-owner Financing
8	9/11/24	Module 8	Equity Recognition and Owner Financing
<b>Online Quiz #7 &amp; 8 (due 9/15)</b>			
9	9/16/24		<i>Catch up class</i>
10	9/18/24	Module 9	Inter-corporate Entities
<b>Online Quiz #9 (due 9/22)</b>			
11	9/23/24	Module 10	Analyzing Lease, Pension, Tax
12	9/25/24	Module 11&12	Forecasting Financial Statements, Cost of Capital and Valuation
<b>Online Quiz #10, #11, and #12 (due 9/29)</b>			
13	9/30/24	Module 13	Cash Flow Based Valuation
14	10/2/24	Module 14/15	Operating Income Based Valuation & Market Based Valuation
<b>Online Quiz #13, #14, and #15 (due 9/29)</b>			

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### **Grading:**

Each quiz: 5% (60% in total), I will drop the lowest 3 quizzes.

In class assignments: 30%.

Participation: 10%

### **Course Policies**

*Extra Credit*

None

*Late Work*

Late work will get no credit.

**Comet Creed**

This creed was voted on by the UT Dallas student body in 2014. It is a standard that Comets choose to live by and encourage others to do the same:

*“As a Comet, I pledge honesty, integrity, and service in all that I do.”*

**UT Dallas Syllabus Policies and Procedures**

The information contained in the following link constitutes the University’s policies and procedures segment of the course syllabus.

Please go to [UT Dallas Syllabus Policies](#) webpage for these policies. *The descriptions and timelines contained in this syllabus are subject to change at the discretion of the Professor.*