



Korea University International Summer Campus (KU ISC) 2022

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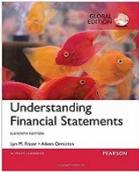
June 28, 2022 ~ August 4, 2022

ISC394 – Financial Statement Analysis

I . Instructor

Professor	:	Mark Davison BSc (Hons.) FCA PhD
E-mail	:	markjdavisonfca@gmail.com
Home Institution	:	Brunel University London
Class Time	:	15:00 - 17:30 (four weeks)
Office	:	TBA
Office Hours	:	I am always available outside of formal classes

II. Textbook

<p>IMPORTANT – I recommend text 1. for students who have not previously studied Introduction to Accounting or Principles of Accounting before.</p> <p>I recommend text 2. for students who have previously studied either Corporate Finance or Principles of Finance</p> <p>We use both texts throughout the course but acquiring the text is not compulsory</p>	<p>1. Understanding Financial Statements - Global Edition by Lyn M. Fraser and Aileen Ormiston, 11th edn (Harlow: Pearson, 2016).</p> <p>ISBN: 9781292101552</p> <p>2. Financial Statement Analysis and Security Valuation Penman, S (2013, 5th Edition, International Edition) New York: McGraw-Hill Irwin.</p> <p>ISBN 978-007-132640-7</p>	 
<p>Course Reader</p>	<p>:</p> <p>A course e-reader containing three sets of financial statements will be used during class. These will be provided electronically on Blackboard.</p>	
<p>Workbook</p>	<p>:</p> <p>To help consolidate and apply your learning, you will be provided with a bespoke e-workbook for this course</p>	

III. Course Description and Objectives

Description

One of the most important business skills to learn is the ability to properly read, analyse and interpret a Company's Financial Statements. You will learn these skills on this course.

This course is both theoretical and practical and focuses on the most important aspects of accounting, analysis, and valuation. Both engaging and relevant, the course uses contemporary case studies of well-known companies. Even if you have no financial/accounting knowledge or experience, you can do well on this course and the learning will be valuable and complimentary to your own major.

You will collaborate extensively with your international peers to prepare a comprehensive analysis and presentation of a company of your group's choice. Such interaction will take place during and outside of class and may take place in a physical classroom or online. Your instructor will regularly promote and support such collaborative activities, helping you develop your research, analytical, presentation and communication competencies in an international and intercultural environment.

Objectives

By the end of this course you will have:

1. A good understanding of the basic workings of the Financial Markets and the principles of Value Investing
2. Identified the strategies used by businesses for the creation and growth of Shareholder Value
3. An understanding of the foundations, purposes, strengths and weaknesses of Financial Statements
4. Used Financial Statements to identify, analyse and interpret financial and cash flow performance
5. Identified and understood company assets and the liabilities and equity that finance them
6. Created excel-based tools commonly used by investment banks, consultants and accountants
7. Prepared different company valuations based on both operating income and cash flow forecasts
8. Acquired relevant academic competencies and transferable skills

IV. Grading

Presentation	:	40%
Final Examination	:	40%
Attendance	:	10% (see note below)
Participation	:	10% (see note below)

V. Class Outline

Date	Topic	Chapter	Class No.
June 28 (Tue)	Orientation Day (no classes)		
June 29 (Wed)	Introduction to the course; Warren Buffett and the concept of Value Investing		1
June 30 (Thu)	Introduction to Investment and the Capital Markets		2
July 1 (Fri)	Financial Statements – An Overview	1	3
July 2 (Sat)			
July 3 (Sun)			
July 4 (Mon)	Financial Statements – An Overview continued	1	4
July 5 (Tue)	The Balance Sheet	2	5
July 6 (Wed)	The Balance Sheet continued	2	6
July 7 (Thu)	The Income Statement	3	7
July 8 (Fri)	The Statement of Stockholders' Equity	3	8
July 9 (Sat)			
July 10 (Sun)			
July 11 (Mon)	The Statement of Cash Flows	4	9
July 12 (Tue)	Analysis of Financial Statements 1	5	10
July 13 (Wed)	Analysis of Financial Statements 2		11
July 14 (Thu)	Earnings-Based and Free Cash Flow Valuation		12
July 15 (Fri)			
July 16 (Sat)			
July 17 (Sun)			
July 18 (Mon)	Project Group Presentations		13
July 19 (Tue)	Project Group Presentations		14
July 20 (Wed)	Final Exam		15
July 21 (Thu)	Course Conclusion, Grading and Graduation		16

Note

Please note that:

- (a) The above class outline may change slightly but the course content will remain the same.
- (b) Before most classes (dates to be announced), you will be provided with a worksheet containing financial analysis practice and other short exercises for in-class completion, to help you consolidate and apply your learning. Your completed worksheet should be submitted for the award of attendance and participation marks.