FINA 4334-B01
FINANCIAL STATEMENT ANALYSIS
Spring 2013
SYLLABUS

TTR 11-12:15 PM OCNR 259

INSTRUCTOR: Dr. Vinod Venkiteshwaran
Office: OCNR 325
Phone/Email: 361-825-3619
vinod.venkit@tamucc.edu
Office Hours: TBD

Required Materials: Fraser, Lyn M & Aileen Ormiston,
Understanding Financial Statements,
(10th Edition)
www.pearsonhighered.com/fraser

Harvard Business Publishing Cases
(Information on access will be provided in class- Approximately $5 per case)

Other Readings and Handouts
Access to the Internet/MS Excel/Word.
Financial Calculator (TI BA-II Plus)

Prerequisites: ACCT 2301, ACCT 2302, FINA 3310, and Junior standing or above

Course Description: A detailed study of financial reporting with emphasis on practical interpretations. Attention will be given to financial statement analysis using financial accounting information and its financial implications. Cross listed as ACCT 4334 AND FINA 4334.

Relationship to Other Coursework:
Knowledge gained in this course will directly benefit student in Finance 3310, 4310, 3331, and 4332 as well as Accounting 3331, 3312, 3313, and 4314. Understanding the analytical concepts contained in this course assists the student in understanding the consequence of different accounting procedures in reporting the financial position and results
Learning Objectives:
1. Identify and describe the major components of the five financial statements.
2. Understand the six major sections that must be included in the annual report of publicly held companies.
3. Calculate relevant ratios in the evaluation of a corporation.
4. Differentiate the characteristics of vertical and horizontal common size financial statements.
5. Calculate the cash flow from operations, investing and financing for a company.
6. Delineate the requirements of a reportable segment as well as the required data that must be reported.

Instructional Methodology:
Lecture, team and individual case discussion, handouts, question and answer sessions, computer presentations, reading assignments, required homework problems, and videos.

Performance Evaluation and Grading:
There are two major bi-semester examinations, Chapter-wise team assignments/presentations, and a final individual project. A three member team (teams will be assigned) will conduct and write a report on Intel and Eastman Kodak assignments at the end of every chapter. Two-Three teams will be randomly selected to present their work to the rest of the class and each team will face a Q&A session.

The final grade in this course is determined by the instructor's evaluation of the student's progress toward the espoused instructional objectives. For this reason, it is not entirely possible to specify grade criteria. However, the following approximate weights and values will be utilized:

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>2 Mid Term Exams</td>
<td>30%</td>
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<tr>
<td>Team Assignments/Presentations</td>
<td>30%</td>
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<tr>
<td>Final Individual Case</td>
<td>40%</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>100%</td>
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A letter grade will be determined based on the percentage earned of total points possible, as follows: A: 90-100%, B: 80-89%, C: 70-79%, D: 60-69%, F:0-59%. Due to the nature of the material in this course the above breakdown is only an approximation. Class participation and attendance, equal contribution to team projects and presentation etc. will be
included in the makeup of the final grade for the course.

Exam dates will be announced in class. **No make-up exams will be administered.** If you must miss an exam, notify me in advance and provide written documentation that the absence was an excused University activity, a severe illness, or a dire emergency. Otherwise, I will assign you a zero for the exam. On days when team presentations are scheduled attendance is mandatory. Absence will result in a grade penalty.

To protect the integrity of the test banks employed, exams will not be returned. However, exams are available for review in my office during scheduled office hours for two weeks after the exam.

Students are responsible for all material in the assigned readings, handouts, homework, and class presentations.

All team and individual assignments are to be turned in at the beginning of the class on their due date unless otherwise instructed. Late assignments are penalized 20 percentage points and an additional 20 percentage point for every day thereafter.

**Oral and Written Communication Content:**
All major exams and the final exam are essay or mathematical manipulation. All homework is likewise prose or math. As class size permits, students will be required to express themselves on various current topics or concepts.

**Technology Applications:**
Students are required to possess and have knowledge in the use of business calculators. Time value of money and other related financial computations are required in their usage. Text problems assigned as homework will often have a spreadsheet application or word processor.

**Ethical Perspectives:**
A firm will normally produce three sets of financial statements based on its accounting records. One set based on financial accounting, one set based on tax accounting and one set based on managerial accounting. Since each method will report different results, the ethical consideration among the different methods is considered.

**Global Perspective:**
Different countries have adopted different reporting requirements. Although the principal method examined is that in the United States, foreign reporting requirements are
noted when they differ substantially.

**Political Social, Legal, Regulatory, and Environmental Perspectives:**

The reporting requirements of public companies is established by both the private sector and the government. The Financial Accounting Standards Board (FASB) establishes Generally Accepted Accounting Procedures (GAAP) in conjunction with the Security Exchange Commission (SEC), and the Public Company Accounting Oversight Board. In response to the changing social and economic environmental, GAAP is being created at a relatively fast pace. This course helps to understand some of these changes.

**Attendance Policy**

Attendance is required. Every student is responsible for their homework assignments, lecture notes, hand outs, and exams. Excuses are not accepted unless a student gains prior permission for missing a class, assignment, or exam. Gaining class notes for missed classes from other students is encouraged. The student is responsible for collecting all handouts and assignments from the professor for all classes that are missed. Excessive absences will result in lower grades.

Individual team members are responsible to ensure equal participation from all team members and any dispute arising from free-riding or non-contribution is to be dealt with internally within the group. If necessary the instructor can arbitrate but all responsibilities lie with the team members. At the end of the semester each student will get an opportunity to complete a peer evaluation which will be used to adjust individual grades.

Students with disabilities should contact Texas A&M University-Corpus Christi Disability Services. Interested students may also contact the University Counseling Center. Staff-records are kept strictly confidential and set apart from other records at the University.

**Demographic Diversity Perspective:**

The diversity within and among this country and that of other countries is discussed as it affects numeric inputs into the financial analysis. The financial goals of a corporation and its impact on demographic diversity is reviewed.

**Political Social, Legal, Regulatory, and Environmental Perspectives:**

The interaction of the economic, legal system and financial goals is considered. The contrast of accounting goals and financial goals in a legal environment is presented and
contrasted as to their time dimension, discipline, and function. The interrelation of the various disciplines is considered from this integrated approach.

**Academic Honesty:**
This course, and all other courses offered by the College of Business (COB), requires all of its students to abide by the COB Student Code of Ethics (available online at [www.cob.tamucc.edu](http://www.cob.tamucc.edu)). Provisions and stipulations in the code are applicable to all students taking College of Business courses regardless of whether or not they are pursuing a degree awarded by the COB.

**Americans with Disabilities Act Compliance**
The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please call or visit Disability Services at (361) 825-5816 in CCH 116.
If you are a returning veteran and are experiencing cognitive and/or physical access issues in the classroom or on campus, please contact the Disability Services office for assistance at (361) 825-5816.

**Summary of Topical Coverage:**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Hours</th>
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<tr>
<td>Introduction to Consumer Behavior</td>
<td>1.25 hrs</td>
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<tr>
<td>Product Concepts and Consumer Behavior</td>
<td>1.25 hrs</td>
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<tr>
<td>Distribution Concepts and Consumer Behavior</td>
<td>1.25 hrs</td>
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<tr>
<td>Marketing Environment</td>
<td>1.25 hrs</td>
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<tr>
<td>Consumer Research</td>
<td>1.25 hrs</td>
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<td>Consumer Segmentation</td>
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<td>Consumer Motivation</td>
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<td>Consumer Affect and Cognition</td>
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<td>Consumer Personality</td>
<td>1.25 hrs</td>
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<td>Consumer Perception</td>
<td>1.25 hrs</td>
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<tr>
<td>Consumer Product Knowledge and Involvement</td>
<td>1.25 hrs</td>
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<td>Consumer Learning</td>
<td>1.25 hrs</td>
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<tr>
<td>Consumer Attention and Comprehension</td>
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<td>Consumer Attitudes</td>
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<td>Consumer Communication</td>
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<td>Consumer Decision Making</td>
<td>1.25 hrs</td>
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<tr>
<td>Group and Family Influences on Consumer Behavior</td>
<td>1.25 hrs</td>
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<td>Social Class and Cultural Influences on Consumer Behavior</td>
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<tr>
<td>International Consumer Behavior</td>
<td>1.25 hrs</td>
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<tr>
<td>Marketing Ethics and Consumer Behavior</td>
<td>1.25 hrs</td>
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<tr>
<td>Marketing Mix Strategies and Consumer Behavior</td>
<td>1.25 hrs</td>
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<tr>
<td>In-Class Exercise Presentations</td>
<td>12.75 hrs</td>
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<tr>
<td>Exams</td>
<td>6.00 hrs</td>
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<tr>
<td><strong>Total hours</strong></td>
<td><strong>45 hrs</strong></td>
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FINA 4334 - Spring, 2012- Tentative Schedule

1. Financial Statements: An Overview
   Week 1
   Introduction
   UFS Ch. 1

2. The Balance Sheet
   Week 2
   UFS Ch. 1
   Week 3
   UFS Ch. 1
   Week 4
   UFS Ch. 2
   Week 5
   UFS Ch. 2
   Week 6
   Major Exam I (Subject to Change)

3. The Income and Retained Earnings Statement
   Week 6
   UFS–Chapter 3
   Week 8
   UFS–Chapter 3

4. The Statement of Cash Flows
   Week 9
   UFS–Chapter 4
   Week 10
   UFS–Chapter 4
   Week 11
   Major Exam II (Subject to Change)

5. The Analysis of Financial Statements
   Week 13
   USF--Chapter 5
   Week 14
   USF--Chapter 5
   Week 15
   USF--Chapter 5
   Week 16
   Individual Project due