Course: Accounting and Financial Analysis III  
Code: 10BBA30002

Type: Required  
Year: 2  
Semester: 1  
ECTS Credits: 5  
Language: Spanish  
Coordination:

Faculty:  
Joan Massons Rabassa

Course Requirements:  
The course requirements are: previous completion of the two previous courses in Accounting and Financial Analysis.

Previous knowledge:  
The required previous knowledge is the contents of the two previous courses in Accounting and Financial Analysis (I and II).

Workload distribution:  
Lectures: 24 hours  
Participatory sessions: 32 hours  
Independent work: 89 hours  
Tutorials / feedback: 5 hours

TOTAL: 150 hours

Course contribution to the programme:  
The course contribution to the programme consists of its enabling the student to understand the projection and analytical use that accounting principles and techniques can have when it comes to finding:

a) The financial and economic position of a business by looking at its Balance Sheet and Statement of Income.

b) Changes in Equity, in the basic figures on the Balance Sheet and in the company’s profitability indicators.
Course learning objectives:
1. To revise and assimilate what was taught in the two previous Accounting and Financial Analysis courses.

2. To get to know the various ratios and analysis tables needed to accurately assemble the variety of Balance Sheet and Statement of Income information.

3. To develop the ability to integrate these ratios, tables and graphics, rather than using them as separate categories.

4. To develop the ability to relate the results of the economic-financial analysis to the remaining functional business areas.

5. To educate the student in the two-sided method of the deductive approach in the first subjects of the course, and the inductive method in the final sessions.

6. To enhance the skill of working with the limited and confusing official regulations concerning accounting.

7. To encourage a critical thought process, based on the strength of the method and the concept.

Skills developed:
- The ability to identify the underlying economic-financial theoretical layer in a complex business situation.
- The ability to choose the right analytical tool (ratio, table or graph) for the business problem in hand.
- The ability to judge correctly, using the aforementioned skills.

Contents and methodology:

7. Profitability indicators: ROA, Margin, Rotation, ROE, EBITDA, WACC and EVA
8. Methodology and results of integrating the seven aforementioned factors.
9. Dealing with the variety of situations of hugely different contents and importance.
10. Passing from official information to management information with practical cases.

Methodology:

Lectures: The Professor highlights a number of key principles covered through the class. The presentation method opens up a range of questions to interest the students and to see their ability to answer on the spot.

Participatory sessions: The lecture group is divided into four smaller groups, each headed by a teaching assistant. Students work on a practical case study, strictly within the framework of what has been seen in the session. The Professor asks the students about the problem that the case presents, and the analysis tools needed to deal with it. The practical case study is a pilot case, studied in class in stages, leading up to the final sessions which look at cases that bring together all the various stages the students have been solving during the pilot case.

Individual work: We recommend group work for the class. Students will be given another practical case study, which will also be solved in stages, like the pilot case study seen in the lecture sessions. Work on this case will be monitored, and will form part of the course evaluation, as will be seen later.

Later on in the programme, students will solve problems integrating the separate sections worked on previously in their working group.

Marking written work done in each session is through feedback given to the students in the written test itself, which is returned to them with a mark and specific commentary on possible errors, things missed out or, alternatively, any particularly praiseworthy points.

Evaluation:
1. Short, single subject tests in each session.
2. Final exam exclusively on practical exercises.

As already mentioned in the Methodology section, there are graded tests given in each session.
The final grade is made up as follows:

a) Only the final exam grade for those students failing to achieve the average of the tests (below five points) or who obtain a final exam grade below 3.6, regardless of their grade in the tests.

B) The average of the tests and the final exam for students who achieve a final exam grade between 3.6 and 6, inclusive.

c) The better of the two grades (exam or tests) for students who score over 6 points.

The aim of this system is to ensure that the average of the tests has no negative effect in the extreme case of students failing to get the test average, but doing well in the final exam.

Core bibliography:

Complementary bibliography or reading material:
1. Readings on a current affairs story that coincides to some extent with the subject.
2. Files of problems for students to work on and discuss in class.
3. Pilot practical case study to follow over the first seven points of the contents mentioned above.
4. Balance Sheets and Income Statements of well-known companies to be studied and discussed at a later date.