

## Financial Analysis

UGRA\_000454

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Departments	Department of Economics, Finance & Accounting
Teaching Languages	English
ECTS	5
Teacher responsible	Andrés Cuesta Carlos - carlos.andres@esade.edu Moya Gutierrez Soledad - soledad.moya@esade.edu

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### Course Goals

The objectives of the Financial Analysis course are the following:

- Understand the content and usefulness of basic and advanced financial statements and the difference between unconsolidated vs consolidated financial statements;
- Understand the basics of the consolidation process, the definition of groups and the implications of consolidation for the analysis of financial statements;
- Examine the purpose of trends and ratios and understand how the related analysis can be used to evaluate corporate performance and make decisions;
- Learn to assess the firm's ability to meet its near-term and long-term obligations;
- Examine the purpose and usefulness of profitability measures and market ratios;
- Incorporate sustainability reporting into the analysis and assessment of companies' performance;

### Previous knowledge

Students are required to have some knowledge in basic financial accounting, namely the main financial statements, understanding what is an asset, liability, equity, revenues and/or expenses, and being aware of accrual accounting methods and main accounting principles

### Prerequisites

There are no pre-requirements in this course

### Description

#### Course contribution to program

The course of Financial Analysis contributes to the program providing students with the capacity of understanding and analyzing financial and also sustainability information in order to make decisions in business. Investing and financing decisions together with operating ones will be approached and discussed together with the analysis of the market and sustainability disclosures

#### Short description

The course of Financial Analysis focuses on the use and interpretation of financial statements in order to make a diagnosis of the financial and economic situation of companies or groups of companies and, based on that, be able to make decisions for the incoming future. Sustainability reporting will also be considered as an important part in the analysis and assessment of the performance of companies.

After revising already known financial statements and introducing some new ones, participants will learn to deal with consolidated financial statements (understanding the basics of the consolidation process) and groups of companies. Subsequently, they will employ a set of tools and indicators that will allow them

to prepare an assessment of the financial and economic situation of a company or group of companies together with a statement of sustainable practices, development and reporting.

This course also introduces elements of forecasting of financial statements that add to the previous analysis and allow participants to develop a comprehensive diagnosis of the company and make recommendations for the future.

## Bibliography

Gibson, Charles., Financial Statement Analysis., South-Western Cengage Learning (Book)

Higgins, Robert C, Analysis for financial management. 10th Edition., Wiley. New York (Book)

Mahoney, P; MacLochlainn, N, Consolidated Financial Statements, Chartered Accountants Ireland (Book)

## Activities

### In-class discussions and debates

Participants will be provided with short and challenging business cases that will be discussed and debated in class

### Analytical exercises

Short exercises focused on the understanding and practice of new concepts of the course

### Quizzes/tests

Several quizzes will be delivered during the course in order to provide students with the opportunity to assess their own progress

### Group presentations

Participants will work on companies' projects where they will analyze real data in order to make a diagnosis of the financial and economic situation of the company

### Case study resolution

Company cases where participants need to propose solutions based on their understanding of the financial information provided

## Content

#	Topic
1	INTRODUCTION TO FINANCIAL REPORTING: Advanced Financial Statements and Other financial reporting topics
2	CONSOLIDATED FINANCIAL STATEMENTS
3	FINANCIAL STATEMENT ANALYSIS: A BRIEF OVERVIEW
4	LIQUIDITY OF SHORT-TERM ASSETS; RELATED DEBT-PAYING ABILITY
5	LONG-TERM DEBT-PAYING ABILITY
6	PROFITABILITY ANALYSIS
7	MARKET ANALYSIS
8	SUSTAINABILITY REPORTING
9	FINANCIAL PLANNING

## Assessment

Tool	Assessment tool	Category	Weight %
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Tool	Assessment tool	Category	Weight %
Attendance and punctuality	Attendance and Participation	Retake and ordinary round	10.00%
Quizzes/tests	Tests	Retake and ordinary round	15.00%
Group project	Group Project	Retake and ordinary round	25.00%
Written and/or oral exams	Final Exam	Retake and ordinary round	50.00%

## PROGRAMS

BBA20-Bachelor of Business Administration (BBA) (Undergraduates: Business)  
BBA20 Year 2 (Mandatory)

BBA23-Bachelor of Business Administration (BBA) (Undergraduates: Business)  
BBA23 Year 2 (Mandatory)

BBE20-Bachelor of Business Administration (BBA) (Undergraduates: Business)  
BBE20 Year 1 (Mandatory)  
BBE20 Year 2 (Mandatory)

DBAI21-Double Degree in Business Administration and Artificial Intelligence for Business (Undergraduates: Business)  
DBAI21 Year 2 (Mandatory)

DBAI23-Double Degree in Business Administration and Artificial Intelligence for Business (Undergraduates: Business)  
DBAI23 Year 2 (Mandatory)

GBD20-Double Degree in Business Administration and Law (Undergraduates: Law)  
GBD20 Year 2 (Mandatory)

GBD23-Double Degree in Business Administration and Law (Undergraduates: Law)  
GBD23 Year 2 (Mandatory)