

## Financial Analysis

UGRA\_014051

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Departments	Department of Economics, Finance & Accounting
Teaching Languages	English
ECTS	4
Teacher responsible	Eva Marín Sánchez - eva.marin2@esade.edu

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### Course Goals

The objectives of the Financial Analysis course are the following:

1. Understand the content and usefulness of basic and advanced financial statements and the difference between unconsolidated vs consolidated financial statements;
2. Understand the basics of the consolidation process, the definition of groups and the implications of consolidation for the analysis of financial statements;
3. Examine the purpose of trends and ratios and understand how the related analysis can be used to evaluate corporate performance and make decisions;
4. Learn to assess the firm's ability to meet its near-term obligations;
5. Understand the capital structure and analyze the firm's ability to meet long-term obligations and capital needs;
6. Examine the purpose and usefulness of profitability measures and market ratios
7. Understand the relevance of non financial information in the assessment of the company

Competencies to be acquired during the course are:

1. To be able to think critically;
2. To be able to work in groups and collaborate;
3. To be able to make decisions in complex situations;
4. To be able to apply knowledge to obtain results.

### Description

#### 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 groups of companies and consolidated financial statements. 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 is recommended for students who will be using financial and non-financial information to make a diagnosis regarding the financial and economic performance of companies.

## Bibliography

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

Higgins, Robert C., Analysis for financial management, Wiley (Book)

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

## Activities

Written and/or oral exams

Quizzes/tests

Group presentations

Case study resolution

Case study analyses

## Content

#	Topic
1	INTRODUCTION TO FINANCIAL REPORTING: 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	SUSTAINABILITY REPORTING

## Assessment

Tool	Assessment tool	Category	Weight %
Attendance and punctuality	Active participation	Retake and ordinary round	10.00%
Quizzes/tests	3 tests will be delivered during the course so that students can check their progress and development.	Retake and ordinary round	15.00%
Group project	You will be asked to perform the diagnosis of the financial and economic situation of a company/group of companies in groups. Each student will be assigned to a group randomly and will have to present the work in class during the scheduled sessions.	Retake and ordinary round	25.00%
Written and/or oral exams	Final Exam	Retake and ordinary round	50.00%

### PROGRAMS

113-Law Exchange Program (Undergraduates: Law)  
113 Year 1 (Optative)

GED20-Bachelor in Law (Undergraduates: Law)  
GED20 Year 2 (Mandatory)