

Profitability and Risk Assessment Using Corporate Annual Report

16 contact hours / 2 ECTS credits

Course Schedule

13 July

- **Introduction to Corporate Financial Statements**
 - -Case study companies: Starbucks, Wal-Mart, McDonald, BMW, Apple, Amazon, and etc.
- **Introduction to Analytic framework**
- **Effect of industry characteristics on financial statement relationships - Global perspective**

15 July

Income flows versus Cash flows

-Case study: Companies (TBA)

16 July

Profitability Analysis

Case study: Companies (TBA)

17 July

Risk analysis

Case study: Companies (TBA)

Learning Objectives

The course focuses on profitability and risk assessment of modern firms based on publicly available financial and non-financial information disclosed on corporate annual report. This is not a course about the details of Generally accepted accounting principles (GAAP, here after), or the myriad of accounting rules and procedures that comprise GAAP. The viewpoint is that of the user of financial statement. The course is designed primarily for students who wish to pursue careers in investment banking, investment management, consulting, as well as public accounting.

Accounting/financial information on financial statements is a key input into a wide range of analytical tools to support decisions: analyzing profitability of various products, managing product-line portfolios, setting prices, measuring and managing profitability of customers, making operational and strategic decisions, evaluating investments and investigating efficiency. The ultimate objective of the course is to equip students with the knowledge to understand, evaluate, and act upon the many financial and non-financial reports used in managing, accessing, or evaluating modern firms.

Prerequisites

Students are not required to have taken preliminary courses in accounting. This course also covers briefly (not in details) the basic concepts and standards underlying financial accounting systems; however, the knowledge of some elements of financial statements will help them in framing the different topic and issues.

Course Design

The course utilizes a combination of lectures, case discussions and analyses, independent reading, and a written exam. The cases used in the course will provide an opportunity to integrate the abstract tools learned and apply them in a practical context.

Course Assessment

Class attendance is required. The assessment system for this course is structured according to the following framework:

- 20% Class discussion
- 10 % assignments, if any (otherwise, Class discussion would have 30%)
- 20% participation;
- 50% final individual report.

Course Policies

Attendance

Under the guidelines of the IESEG, class attendance is part of a student's grade. If you miss a class, it is **your responsibility to make it up**.

In particular, I expect students to be punctual arriving for class, to **notify me in advance** if you are going to miss a class, and not to engage in disruptive eating during class.

If you are late, please enter the class w/o disrupting the other students.