



FIN 31323: Financial Information Analysis

Level: 3000

Number of Credits : 03

Course Description

Financial information analysis facilitates the evaluation of firms through analyzing and interpreting financial statements. The course focuses on applying different financial information analysis techniques and the interpretation of financial indicators.

Intended Learning outcomes

At the end of the course the student will be able to;

- Select appropriate techniques to evaluate financial information,
- Analyze and interpret the form and content of financial information,
- Evaluate firms using financial information.

Teaching/Learning methods

Lectures, workshops and seminars

Method of Assessment

In-course Assessment	: 30%
End semester Examination	: 70%

Course contents

1. Overview of financial information analysis
Nature and sources of financial information, the importance of financial information analysis
2. Bases of reporting financial information
Cash accounting, accrual accounting and discounted cash flows
3. Techniques and instruments of financial information analysis
Vertical, horizontal, trend, common-size analysis, and ratio analysis
4. Quality of financial information
Earning quality, accounting quality, valuation quality, transaction quality, disclosure quality
5. Analysis of profitability and shareholders' return
6. Liquidity analysis
7. Solvency analysis
8. Reformulation of financial statements
9. Analysis of risk and return

Recommended Reading

1. Stephan, H .penman (2010), Financial statement Analysis and security valuation, international edition, McGraw, Singapore.
2. Gibson C, H, (2009). Analysis of financial statement New Delhi, India: Cengage leaning (pvt) Ltd