



FACULTY OF BUSINESS
BACHELOR OF ACCOUNTING
LEARNING MODULE OUTLINE

Academic Year	2023 / 2024	Semester	2
Module Code	ACCT4140-421		
Learning Module	Financial Statement Analysis		
Pre-requisite(s)	N/A		
Medium of Instruction	English		
Credits	3	Contact Hours	45 hours
Instructor	CHOU CHI KEONG	Email	t1787@mpu.edu.mo
Office	---	Office Phone	---

MODULE DESCRIPTION

This course provides an introduction to key accounting concepts and knowledge. Accounting objectives, conventions, standards and the rules that govern disclosure are examined. Other topics include ratio and cash flow analysis, analysis of inventories and analysis of long-lived assets.

The course focuses on financial accounting from both the user's perspective and preparer's perspective. Its premise is that students are better prepared to understand and analyze real financial reports, and learning is based on financial statements in real world situation.

MODULE INTENDED LEARNING OUTCOMES (ILOS)

On completion of this learning module, students will be able to:

M1.	Develop prerequisite knowledge necessary to understand the regulatory and conceptual frameworks which underpin the preparation of limited company financial statements.
M2.	Develop prerequisite knowledge and skills necessary to analyse and interpret the financial statements of limited companies using ratio analysis and explain the limitations of ratio analysis
M3.	Develop prerequisite knowledge necessary to perform critical analysis on a firm performance and explain how a company's strategy is reflected in past financial performance.
M4.	Assess and analyse the role of financial statement analysis in assessing the credit quality of a potential debt investment and in screening for potential equity investments
M5.	Demonstrate effective teamwork, communication and interpersonal skills and enhanced numerical skills and fluency in the use of Spreadsheet and PowerPoint.



These ILOs aims to enable students to attain the following Programme Intended Learning Outcomes (PILOs):

PILOs	M1	M2	M3	M4	M5
P1. Integrate the contemporary theories, principles of accounting and business disciplines relevant to general business practice.	√				
P2. Assess general business scenarios with mathematical and statistical skills.		√			
P3. Apply critical thinking and logical analysis skills and techniques to solve business problems.			√	√	
P4. Interpret and analyze accounting information for internal control, planning, performance evaluation, and coordination to continuously improve business process.				√	
P5. Apply accounting or business software for business analysis.					√
P6. Develop queries to assess management information from database to improve efficiency and effectiveness.		√			
P7. Synthesize the latest requirement of international accounting and auditing standards in preparing financial statements and auditing reports.					
P8. Utilize appropriate written and spoken forms to communicate effectively with stakeholders in various cultural environment.					√
P9. Recommend an appropriate course of action by ethically examining the economic, environmental, political, legal and regulatory contexts of global business practice.					√
P10. Utilize the latest empirical findings and academic studies to support the recommendation of business projects.					√

MODULE SCHEDULE, COVERAGE AND STUDY LOAD

Week	Content Coverage	Contact Hours
1	1. Introduction to Financial Reporting 1.1 Traditional assumptions of the Accounting Model Using the Internet	3 hrs
2	2. Introduction to Financial Statements and Other Financial Reporting Topics 2.1 The Financial Statements 2.2 The Accounting Cycle 2.3 Auditor's Opinion 2.4 Management's Responsibility for Financial Statements	3 hrs
3	3. Balance Sheet 3.1 Basic Elements of the Balance Sheet 3.2 Assets 3.3 Liabilities Stockholders' Equity	3 hrs
4	4. Income Statement 4.1 Basic Elements of the Income Statement 4.2 Earnings per Share 4.3 Retained Earnings 4.4 Dividends and Stock Splits	3 hrs



	4.5 Legality of Distributions to Stockholders	
5	5. Basics of Analysis 5.1 Ratio Analysis 5.2 Financial Statement Variation by Type of Industry 5.3 Review of Descriptive Information 5.4 Comparisons	3 hrs
6	6. Liquidity of Short-term Assets; Related Debt-Paying Ability 6.1 Operating Cycle 6.2 Current Assets Compared with Current Liabilities 6.3 Other Liquidity Considerations	3 hrs
7	7. Long-term Debt-Paying Ability 7.1 Income statement consideration 7.2 Balance sheet consideration 7.3 Special Items that Influence a Firm's Long-Term Debt-Paying Ability	3 hrs
8	8. Profitability 8.1 Profitability measures 8.2 Segment reporting 8.3 Revenues by Major Product Lines, 8.4 Gains, Losses from Prior Period Adjustments 8.5 Comprehensive income considerations	3 hrs
9	9. For the Investor 9.1 Leverage and its Effects on Earnings 9.2 Earnings per Common Share 9.3 Price Earnings Ratio 9.4 Dividend Payout and Yield	3 hrs
10	10. Statement of Cash Flows 10.1 Basic Elements of the Statement of Cash Flows 10.2 Financial ratios and the statement of cash flows 10.3 Procedures for Development of the Statement of Cash Flows	3 hrs
	Project Assignment Presentation and Review	9 hrs
	Mid-term Test and Revision	3 hrs
	Final exam	3 hrs
	Total Hours:	45 hrs

TEACHING AND LEARNING ACTIVITIES

In this learning module, students will work towards attaining the ILOs through the following teaching and learning activities:

Teaching and Learning Activities	M1	M2	M3	M4	M5
T1. Accounting knowledge is delivered primarily by lectures with the aid of slides on concepts of accounting methodologies, with the technical skills and techniques illustrated by solving problems.	✓	✓	✓	✓	
T2. Short formative oral or written quizzes will be given at the end of the lessons. Discussions are part of the class activities in which teamwork will be encouraged. Current events with financial, accounting, and socio-economic implications will be raised in class to help students think	✓	✓	✓	✓	✓



and understand the linkage of the course learning with the current news events, the importance of the need of ongoing learning as well as to monitor progress of students' knowledge acquisition in Accounting.					
T3. Students must prepare for assignment besides class attendance, as they will be asked to work on problems or respond to conceptual issues in the readings. In order to achieve the outcomes of this course, students are expected to perform the following learning tasks: Read and prepare assigned materials before class Review and work on exercises after class to evaluate understanding Attend seminars and meetings that help to expand the knowledge horizon Prepare and collect project information Prepare for test and final examination Seek advice from instructor for difficulties encountered Form study group to learn and practise skills and knowledge	✓	✓	✓	✓	✓

ATTENDANCE

Attendance requirements are governed by the Academic Regulations Governing Bachelor's Degree Programmes of the Macao Polytechnic University. Students who do not meet the attendance requirements for the learning module shall be awarded an 'F' grade.

ASSESSMENT

In this learning module, students are required to complete the following assessment activities:

Assessment Activities	Weighting (%)	ILOs to be Assessed
A1. Quiz	5%	Formative assessment
A2. Group project	20%	Formative assessment
A3. Mid-term Test	25%	Summative assessment
A4. Final Examination	50%	Summative assessment

The assessment will be conducted following the University's Assessment Strategy (see www.mpu.edu.mo/teaching_learning/en/assessment_strategy.php). Passing this learning module indicates that students will have attained the ILOs of this learning module and thus acquired its credits.



REQUIRED READINGS

Thomas R. Robinson, Elaine Henry, Wendy L. Pirie, Michael A. Broihahn, Anthony T. Cope, 2015, *Financial Statement Analysis*, 3rd edition, Wiley. **REFERENCES**

Reference book(s)

Martin Fridson and Fernando Alvarez, 2011, *Financial Statement Analysis*, 4th edition, Wiley.

STUDENT FEEDBACK

At the end of every semester, students are invited to provide feedback on the learning module and the teaching arrangement through questionnaires. Your feedback is valuable for instructors to enhance the module and its delivery for future students. The instructor and programme coordinators will consider all feedback and respond with actions formally in the annual programme review.

ACADEMIC INTEGRITY

The Macao Polytechnic University requires students to have full commitment to academic integrity when engaging in research and academic activities. Violations of academic integrity, which include but are not limited to plagiarism, collusion, fabrication or falsification, repeated use of assignments and cheating in examinations, are considered as serious academic offenses and may lead to disciplinary actions. Students should read the relevant regulations and guidelines in the Student Handbook which is distributed upon the admission into the University, a copy of which can also be found at www.mpu.edu.mo/student_handbook/.