



## FACULTY OF BUSINESS BACHELOR OF ACCOUNTING

### LEARNING MODULE OUTLINE

Academic Year	2024/2025	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
Instructor	Shaohua Tian	Email	shtian@mpu.edu.mo
Office	Meng Tak Building M523	Office Phone	8599-3314

#### MODULE DESCRIPTION

This module 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 module 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

Topic	Content Coverage (Textbook)	Contact Hours
1	<b>1. Introduction to Financial Reporting</b> 1.1 Traditional assumptions of the Accounting Model 1.2 Using the Internet	6
2	<b>2. Introduction to Financial Statements and Other Financial Reporting Topics</b> 2.1 The Financial Statements 2.2 The Accounting Cycle 2.3 Auditor's Opinion 2.4 Management's Responsibility for Financial Statements	6
3	<b>3. Balance Sheet</b> 3.1 Basic Elements of the Balance Sheet 3.2 Assets 3.3 Liabilities 3.4 Stockholders' Equity	3
4	<b>4. Income Statement</b> 4.1 Basic Elements of the Income Statement 4.2 Earnings per Share 4.3 Retained Earnings 4.4 Dividends and Stock Splits 4.5 Legality of Distributions to Stockholders	3



5	<b>5. Basics of Analysis</b> 5.1 Ratio Analysis 5.2 Financial Statement Variation by Type of Industry 5.3 Review of Descriptive Information 5.4 Comparisons	3
6	<b>6. Liquidity of Short-term Assets; Related Debt-Paying Ability</b> 6.1 Operating Cycle 6.2 Current Assets Compared with Current Liabilities 6.3 Other Liquidity Considerations	3
7	<b>7. Long-term Debt-Paying Ability</b> 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
8	<b>8. Profitability</b> 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
9	<b>9. For the Investor</b> 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
10	<b>10. Statement of Cash Flows</b> 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
<b>Project Assignment Presentation and Review</b>		3
<b>Mid-term Test and Revision</b>		3
<b>Final Examination</b>		3
Total hours		45

## 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
Lectures: in-depth coverage of management accounting is presented with PowerPoint slides and other additional illustration materials as necessary. Q&A: time allowed to raise questions from both instructor and students.	✓	✓	✓	✓	✓
In-class exercises and Q&As will be discussed to direct student attention to the issues. Formative Quizzes: students will take short oral or written quizzes at the end of the class to review what they learn.	✓	✓	✓	✓	✓
Students are required to complete assigned questions and problems. At least one major problem will be assigned from a list of	✓	✓	✓	✓	✓



questions after each chapter at specific time. No late submission will be accepted.					
Students are required to form a <b>small group to present</b> certain Advanced Cost and Management Accounting issues or cases. This provides students opportunities to integrate and apply their knowledge in the module. Team work and communication: In addition to reinforcing their knowledge of accounting through group interactive discussion, students can learn to coordinate their task and develop their presentation skills.	✓	✓	✓	✓	✓

## ATTENDANCE

Attendance requirements are governed by the “Academic Regulations Governing Bachelor’s Degree Programmes” of Macao Polytechnic University. Students who have less than the required attendance for the enrolled subject are not eligible to attend the final or re-sit examinations and will be given “F” as their final grade.

## ASSESSMENT

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

Assessment Activities	Weighting (%)	ILOs to be Assessed
Quiz	5%	1-5
Group Project	20%	1-5
Mid-term test	25%	1-4
Final examination	50%	1-5
Total 100%		

The assessment will be conducted following the University’s Assessment Strategy (see [www.mpu.edu.mo/teaching\\_learning/en/assessment\\_strategy.php](http://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.



## MARKING SCHEME

	Assessment Task	Criterion	Excellent (A, A-)	Very Good, Good (B+, B, B-)	Satisfactory (C+, C, C-)	Pass (D+, D)	Fail (F)
1.	Quiz	Demonstrate the <b>understanding</b> of the subjects covered in classes and show active learning attitude	High	Significant	Moderate	Basic	Not even reaching marginal levels
3.	Group Project	Demonstrate the <b>understanding</b> of the subject and the arguments are <b>articulated</b> and <b>organized</b> in terms of verbal presentation and report writing	High	Significant	Moderate	Basic	Not even reaching marginal levels
4.	Mid-term test and Final examination	Demonstrate the <b>ability to identify</b> and <b>apply</b> appropriate concepts, methods and techniques	High	Significant	Moderate	Basic	Not even reaching marginal levels



## REQUIRED READINGS

Thomas R. Robinson. (2020). International Financial Statement Analysis, 4th Edition, John Wiley & Sons.

## REFERENCES

1. Thomas R. Robinson, Elaine Henry, Wendy L. Pirie, Michael A. Broihahn, Anthony T. Cope, 2015, *Financial Statement Analysis*, 3<sup>rd</sup> edition, Wiley.
2. Martin Fridson and Fernando Alvarez, 2011, *Financial Statement Analysis*, 4<sup>th</sup> 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/](http://www.mpu.edu.mo/student_handbook/).

## PLAGIARISM POLICY

When a student submits an assignment, he has a duty to ensure that his assignment has been checked by Turnitin software, and the similarity score given by Turnitin software cannot be higher than 30%. However, a special case can be determined by the instructor.