|  |
| --- |
|  |
| **Title** | **Accounting and Financial Analysis** |
|  |
| **Lecturers** | **Iain Peers and Matthew Gorrie** | Tutors | Iain Peers & Matthew Gorrie |
|  |
|  | Code | AG911 | Semester | 1 | Weeks | 1 – 11 | Credits | 20 |  |
|  |  |
|  | **Assessment** |  | Examination | 70% |  | Coursework |  |  | Test | 30% |  |
|  |  |
|  | Finance | Compulsory |  | Int. Banking & Fin. | Compulsory |  | Investment & Fin. | Compulsory |  | Int. Accounting & Fin. | Compulsory |  |
|  |

## CLASS AIMS

The aim of this class is to provide students with an understanding of the basic principles of financial accounting and financial analysis, the ability to interpret financial statements and their use in assessing the financial position and performance of companies. This class provides an introduction to the principles of accounting and the analysis of financial statements. The class will enable students to prepare financial statements in accordance with International Financial Reporting Standards (IFRS) and to interpret and analyse these statements. Particular emphasis is placed on the accounting concepts and information employed in financial analysis and decision taking. Class participants will develop the ability to prepare and interpret financial statements and construct cash forecasts. In addition, students will develop an understanding of the demand and supply for accounting information; an appreciation of the role of financial analysis and analysts; and an awareness of the statistical characteristics of accounting numbers.

## LEARNING OUTCOMES

The class provides opportunities for students to develop and demonstrate knowledge, understanding and skills in the following areas:

**i) Knowledge Based Outcomes:**

On completion of the class students should be able to:

* prepare a basic set of financial statements
* interpret a set of financial accounts;
* understand the significance of accounting principles, standards and policies;
* prepare a budget
* understand the importance of ethics in accounting

**ii) Skills Outcomes:**

 On completion of this class students should be able to demonstrate:

* the ability to interpret technical information
* numerical and analytical skills, especially in economic and financial decision making.

**TEACHING AND LEARNING**

There will be 43 contact hours and the teaching will be on the basis of lectures and workshops. The workshops will provide an opportunity to discuss the topics covered in the lectures more fully. Attendance at workshops is compulsory.

**ASSESSMENT**

A class test will account for 30 per cent and a final examination for 70 per cent of the assessment. The final examination will take place in the December diet of examinations and last for three hours. The class test will take place in week 8 of the first semester. The final examination will comprise both quantitative and essay elements. Any reassessment will be via a re-sit exam of the same format as the main exam.

**READING**

Gowthorpe, C, “Business accounting and finance”, 4th Edition, Cengage 2018

**Further Reading:**

Penman, Stephen H., “Financial Statement Analysis and Security Valuation”, 5th Edition, Irwin McGraw-Hill Higher Education, 2013

Tweedie, David; Robinson, Thomas R.; van Greuning, Hennie; Henry, Elaine; Broihahn, Michael A., “International Financial Statement Analysis”, Wiley 2008

**Useful Websites:**

www.IASplus.com

## LECTURE PROGRAMME

|  |  |
| --- | --- |
| **Session** | **Lecture Title/Subject/Content** |
| 1 | Introduction to accounting. . |
| 2 | Preparation of financial statements.  |
| 3 | Assets and ethics |
| 4 | Adjustments for depreciation and bad debts |
| 5 | Interpretation of financial statements |
| 6 | Cashflows |
| 7 | Budgeting and analysis |
| 8 | Class test |
| 9 | Further budgeting and analysis |
| 10 | Capital instruments and debt v equity |
| 11 | Course review. |