

University of South Carolina at Aiken
School of Business Administration
Financial Statement Analysis, spring 2012

I. Course and Professor

AACC / AFIN 338 (3 credits)
Dr. Robert Leach
Office: B&E 226

Office Hours: MW 4:00 – 5:00
TTH 12:00 – 1:30
Email: RobertL@usca.edu

II. Prerequisites

C or better in ABUS 225

III. Course Description

A study of methods helpful in determining the strengths and weaknesses of a corporation. A case approach is utilized and employs information from financial statements, the industry, and the financial press.

IV. Course Learning Objectives

At the completion of this course, the student should be able to:

- 1) Understand the uses of financial statement analysis and the sources of financial information.
- 2) Know and use the basic tools of financial statement analysis, including commonly used analysis techniques, ratios, and methods of external comparison.
- 3) Present results of analysis clearly and concisely.

V. School of Business Administration Mission Statement

The School of Business Administration focuses on creating a caring learning environment in its accredited undergraduate program at multiple locations. The program prepares students to successfully meet the dynamic global, technological, and ethical challenges of business and society.

VI. Relationship of course to SOBA mission

This course presents students with how financial accounting information can be used by decision makers in finance, management, and investment analysis.

VII. Text and Materials

Understanding Financial Statements, 9th ed. Fraser and Ormiston, Prentice Hall [2010].

VIII. Class Policies

- ◆ **Case Analysis** Each student will be responsible for a case presentation assigned to them. At the end of each case are questions to be addressed. The use of Microsoft Power Point® is required as support for your response to each question. A hard copy of the presentation is to be provided to me as well as the rest of the class members. You will be graded based upon the theoretical correctness of your responses, the non-reliance of reading off of note cards or simply reading PowerPoint slides to the rest of the class, correct use of grammar, and a proper overall conclusion of your findings. Essentially, you will be the teacher of the class and your presentation grade will depend on how good a job you do conveying the material. Questions related to cases will appear as part of quiz and exam questions.
- ◆ **Individual Financial Statement Analysis Report** Each student will prepare a written financial analysis for a publicly traded company of their choice. Guidelines for preparation will be provided. Company financial information must be submitted by **March 15** and the final report is due no later than **April 19**.

- ◆ **Quizzes** Four quizzes of equal weight will be given throughout the semester.
- ◆ **Examinations** Four exams of equal weight will be given throughout the semester. Please note this important policy regarding exams: No makeup exams are given for any reason other than official University business (advanced arrangements with professor required) or documented family/personal emergency or illness. Should a student miss a regularly scheduled exam for a legitimate reason, a make up will be permitted only in the event written documentation for the extenuating circumstance exists and that makeup must be taken before the next class meeting.

◆ **Grading**

Quizzes (4)	10%
Exams (3 midterms and a final)	60
Case presentation 1	7½
Case presentation 2	7½
Financial analysis report	<u>15</u>
	100%

Total points earned will be converted to a letter grade based on the following scale:

90 and above	A
88 - 89%	B+
80 - 87%	B
78 - 89%	C+
70 - 77%	C
68 - 69%	D+
60 - 67%	D
below	F

- ◆ **Professionalism** A high degree of personal responsibility is expected of business majors. In keeping with this, my expectation is that each of you will prepare for class discussion before class, work assigned problems, take exams when scheduled, work collaboratively with peers and the professor to ensure a quality learning experience, and make arrangements to catch up on material you miss if you find it necessary to be absent from a class. Mutual respect and civility will be practiced between professor and students at all times. Students will bring to my attention any problems they encounter in this learning environment immediately. Together, we will pursue a solution that will benefit all concerned.
- ◆ **Attendance** Enrolling in this class obligates the student to regular and punctual attendance. The USCA School of Business attendance policy will be followed. This stipulates you must attend at least 80 percent of the classes (**miss no more than 5 classes**) in order to earn credit for the class – **NO EXCEPTIONS**.
- ◆ **Disabilities** If you have a physical, psychological, and/or learning disability which might affect your performance in this class, please contact the Office of Disability Services, 126A B&E, 803) 641-3609, as soon as possible. The Disability Services Office will determine appropriate accommodations based on medical documentation.
- ◆ **Withdrawal policy** Under the course withdrawal policy, students may withdraw from a course until the withdrawal deadline and the mark of 'W' will be assigned. No withdrawals will be permitted after the course withdrawal deadline. It is the student's responsibility to withdraw from the course or stay in for a grade." **THE LAST DAY TO WITHDRAW IS FRIDAY, MARCH 2.**

Course Outline

Class	Class Discussion Assignment and exams	Quiz	Assignment for discussion and instructions
Week 1	Syllabus / Chap 1		
Week 2	Chap 1		1.1 – 1.10
Week 3	Chap 1 / Chap 2		2.1 – 2.8 2.10 – 2.13, 2.15
Week 4	Chap 2		
Week 5	Chap 2 / Chap 3	Feb. 9	3.1 – 3.6, 3.9 – 3.12 <i>Ultimate Electronics, Inc. (Feb. 7)</i> <i>Cyberonics, Inc. (Feb. 7)</i>
Week 6	Chap 3 Exam 1 (Feb. 16)		<i>Lucent Technologies (Feb. 14)</i> <i>1-800 Contacts, Inc. (Feb. 14)</i> <i>Royal Appliance Mfg. Co. (Feb. 14)</i> <i>U.S. Airways, Inc. (Feb. 14)</i>
Week 7	Chap 3	Feb. 23	<i>Dillard's Inc. (Feb. 21)</i> <i>Applied Materials (Feb. 21)</i> <i>Micron Technology, Inc. (Feb. 21)</i>
Week 8	Chap 6 Exam 2 (Mar. 1)		6.2 – 6.6, 6.9
Week 9	Spring Break		
Week 10	Chap 6		
Week 11	Chap 6	Mar. 22	
Week 12	Exam 3 (Mar. 29)		<i>Action Performance Co. (Mar. 27)</i> <i>Apple Computer, Inc. (Mar. 27)</i> <i>Zila, Inc. (Mar. 27)</i>
Week 13	Chap 4		4.1 – 4.2, 4.5 – 4.6, 4.10
Week 14	Chap 4	Apr. 12	
Week 15	Chap 4		<i>Hasbro, Inc. (Apr. 17)</i> <i>Candela Corp. (Apr. 17)</i> <i>PetMed Express, Inc. (Apr. 19)</i> <i>Amazon.com, Inc. (Apr. 19)</i>
Wednesday, May 1	Final Exam (2:00)		