

Texas A & M University – Commerce
Department of Accounting
Syllabus
Financial Statement Analysis for Global Entrepreneurs
ACCT 311-01W
Summer I 2020
June 1 – July 2, 2020

Professor: Dr. Caroline Hartmann

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Office Hours: There are no set office hours as this is an online course but you may set up an appointment at my office on campus if needed. Any questions or concerns can be emailed to me or posted to virtual office page in the course. Posting is preferred if it is a question that other students may benefit as well.

Course Description:

This course is designed to provide an overview of financial statement analysis with a focus on global entrepreneurship. It presents a framework for analyzing business opportunities and risks through the use of financial statement analysis, ratio analysis, and trend analysis and valuation methods. Prerequisite ACCT 222 and a minimum of 55-semester credit hours.

Course Materials:

Required Text:

Fraser, Lyn, M., Ormiston, Aileen. 11th Edition. *Understanding Financial Statements*. Pearson (ISBN-13: 978-0- 13-387403-7).

Financial Calculator: Any type is acceptable.

Course Embedded Objectives:

Your achievement level for each objective will be measured by your success in completing the homework, quizzes and examinations. The successful student, upon completion of this course, will be expected to have achieved the following as a result of this course:

- Understand financial statements, both from a historical viewpoint and the relationship between the Income Statement, the Balance Sheet and the Statement of Cash Flows.

- Be able to analyze financial statements and identify the strengths and weaknesses of firms using the techniques such as ratio analysis, common size analysis and cash flows.
- Exposure to the global financial environment by comparing GAAP to IFRS.

Student Responsibilities:

1. Read assigned material on schedule
2. Complete all assignments on time. Homework must be completed and uploaded to the designated folder in D2L on or before the due date. In fairness to persons submitting assignments in a timely manner, assignments turned in late will not receive full credit (10 percent penalty).
3. Prepare and participate in all class discussions.
4. Your answers and work must be your own. Answers that appear to be plagiarized will not be considered.

CPA Exam Candidates - State of Texas

Candidates who desire to sit for the CPA in Texas must meet the following educational criteria: 1) Have a bachelor's degree; 2) Completed 150 semester hours of courses; 3) Included in the 150 semester hours, 30 of upper level accounting courses. You must have a minimum of 15-semester credit hours of accounting courses in the traditional format (face-to-face); 24 hours of upper level business courses; 3-semester credit hours of approved ethics; 2-semester credit hours of approved communication and 2-semester credit hours of approved accounting research. For more information visit Exam/Qualification on the State Board's website: <http://www.tsbpa.state.tx.us/>

Teaching Procedures:

This class will be conducted online using D2L. Assignments will be turned in by either uploading to the designated dropbox or responding to discussion topics in D2L. Exams will be completed in D2L. Reading the material is required because of the complexity of the material in this course. You are encouraged to participate in class and communicate with the other students in the course. Participation is based on responding to discussion topics in D2L and exhibiting a positive attitude, demonstrated by attentive, courteous, and respectful behavior at all times. The nature of this course allows for interaction among students, and everyone has something valuable to contribute. Disruptive or rude behavior will not be tolerated.

This class has a semester project. Even though the final project is not due until the end of the 5 weeks, it is vital that you complete the relevant portion of the project as each topic is covered in the course. There will be various submissions (milestones) of the project throughout the semester to ensure you are making progress. If you wait until the end of the semester to begin the project, your grade will suffer. Please budget your time appropriately. If I discover you are copying another student's

work or publisher materials inappropriately on your project submission, you will receive a 0% for the entire project. There will be no extra credit offered on an individual basis to bring up your grade at any point during the semester. **Missed exams cannot be made up! All exams must be taken on the scheduled days. Special arrangements can be made ahead of time for extenuating circumstances. No grades will be dropped at the end of the semester.**

Course Evaluation:

Grades will be based upon the following items:

Discussion Participation	25%
First Exam	25%
Second Exam	25%
Individual Project	25%

Grading scale: 90 - 100% =A, 80 – 89% =B, 70 – 79% =C, 60 – 69% =D and <60% =F. Your grade will be based on the activities above and weighted accordingly.

Discussions

We will be having weekly discussions on the Discussion tab of each unit so everyone has the ability to respond to the case being covered in that unit. Participation in the discussion for each chapter (unit) is mandatory and everyone is expected to provide insightful comments and recommendations as well as respond to at least one other student's response. This does NOT mean simply responding "I agree or disagree" but providing an explanation/ reasoning as to your answer. Please watch for **announcements** in D2L and in emails for reminders relating to the discussions and any other requirements.

Videos

I will be providing videos of each chapter discussing the important topics of each chapter. Please review these at your convenience as they are a good resource for understanding the concepts in the textbook.

Examinations:

Two exams will be given during the semester. The exams will cover specific chapters as we cover the material during the semester. The exams will require short answers or analyze a case like those assigned as homework as well as multiple questions related to concepts and terminology. There are no make-ups for the two exams.

Individual Project:

The data to be used for the project is located in the Course Content of the course and is named Semester Project Case. This case will provide the necessary financial information you need to analyze the company however feel free to use the

company's website to obtain additional relevant information. Please disregard the page numbers mentioned in the instructions of the case. The following outline is provided for guidance (See Milestones below). You will analyze the international company, Amazon and deciding why the company would or would not be a good investment (conclusion). Also, as part of the conclusion, analyze what the company should do to correct any financial or operational problems.

Feel free to use outside resources, including the company webpage, annual report, MD&A, analyst reports, journal articles, news releases, etc. As part of the completed paper, you will need to refer to Chapter 5 and complete a ratio analysis. Are the ratios strong, weak, more or less liquid, contain more or less risk? The following outline is a suggestion of the format to use when compiling the data retrieved on the company. If sufficient analysis is completed on Milestones 1-4, you will be able to insert them into your final paper and only have to add Milestone 5. The project accounts for 25% of your semester grade. The due date for each Milestone is also shown in the syllabus. The introduction should provide information summarizing and supporting the evidence and data obtained from the analysis; therefore, it is part of the final Milestone.

The goal is not a paper that just summarizes the data, but an analysis of the international company. The focus of this exercise is to analyze financial data and to make a formal written recommendation, something you would give to your employer or a client, not merely describe the numbers and trends. Examples of past projects submitted are uploaded to the content section of D2L, and will assist with the formatting and content expected.

Suggested Outline for the Financial Statement Analysis

- I. Introduction (Milestone 5)
 - A. Objective of paper
 - B. Summary of findings
- II. Firm, Industry, and Environment (Milestone 1)
 - A. Description of firm and its management
 - B. Discussion of competitive environment
 - C. Economic climate and outlook
 - D. Other factors, e.g. governmental regulations, labor relations, litigation
- III. Balance Sheet Analysis (Milestone 2)
 - A. Common-size analysis
 - B. Horizontal analysis
- IV. Income Statement Analysis (Milestone 2)
 - A. Common-size Analysis
 - B. Horizontal Analysis

V. Cash Flow Analysis (Milestone 3)

VI. Ratio Calculation of Financial Statements (Milestone 4)

- A. Liquidity Ratios
- B. Asset Ratios
- C. Leverage (debt) ratios
- D. Profitability ratios
- F. Market ratios

VII. Summary: Basic understanding of the firm, its past performance, its expected future performance, and the justification for your overall conclusion of the firm. This part should be able to stand alone as a summary of your analysis. What conclusions do you derive about the company and its potential? Should we invest in the company?(Milestone 5)

VIII. Bibliography/References

Specifics of the Project:

To complete this project, you will work individually. All information needed for the project will be provided. A Dropbox folder has been created for each Milestone. The project should be prepared and uploaded in Word using font size 12 Times New Roman, double spaced, and one-inch margins. The **minimum length required** for the final paper to potentially receive full credit is 10 pages (without parts VIII & IX). Be sure to appropriately cite relevant resources using APA style. **You must cite any information or idea that is not yours that you are using in your project.** Upon review of each Milestone submission, the professor will return comments to the student if glaring issues are evident; if you are on track, the professor will indicate you are doing well. Refer to the rubric below that will be used when grading the project. The points indicate the possible points for each section.

The paper must demonstrate a mastery of the basic writing mechanics, be free of grammatical errors and supported by proper references. Please follow APA guidelines when writing the research paper. Wikipedia and Investopedia are not proper academic sources, therefore academic research articles should be your main source of research support. All papers will be submitted through Turnitin in D2L via the drop box. Papers in excess of 15% of originality will not be accepted.

Plagiarism

Plagiarism represents disregard for academic standards and is strictly against University policy. Plagiarized work will result in an "F" for the course and further administrative sanctions permitted under University policy. Guidelines for properly quoting another individual's writing and the proper citing of sources can be found in the APA publication Manual.

Student Conduct

All students enrolled at the University shall follow the tenets of common decency and acceptable behavior conducive to a positive learning environment. (See *Code of Student Conduct from Student Guide Handbook*).

A&M-Commerce will comply in the classroom, and in online courses, with all federal and state laws prohibiting discrimination and related retaliation on the basis of race, color, religion, sex, national origin, disability, age, genetic information or veteran status. Further, an environment free from discrimination on the basis of sexual orientation, gender identity, or gender expression will be maintained.

University Policies and Procedures:

Students with Disabilities: The Americans with Disabilities act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you have a disability requiring an accommodation, please contact:

Office of Student Disability Resources and Services

Texas A&M University – Commerce, Gee Library, Room 162, Phone (903) 886-5150 or (903) 886-5835, Fax (903) 468-8148, StudentDisabilityServices@tamuc.edu

Ethics: Integrity is the hallmark of the accounting profession and will be stressed throughout the course. Any type of student breach of ethics, including but not limited to: illegal activity, dishonest conduct, cheating, plagiarism, or collusion, will result in failure of assignment or exam (F) and/or further academic sanction (i.e. failure of course (F), dismissal from class and/or referral to Dean of the College of Business and Technology. All students are required to read, sign and submit the Academic Honesty Policy form via the drop box the first week of class.

“All students enrolled at the University shall follow the tenets of common decency and acceptable behavior conducive to a positive learning environment.” (See Student’s Guide Handbook, Policies and Procedures, Conduct).

Non-discrimination: A&M-Commerce will comply in the classroom, and in online courses, with all federal and state laws prohibiting discrimination and related retaliation on the basis of race, color, religion, sex, national origin, disability, age, genetic information or veteran status. Further, an environment free from discrimination on the basis of sexual orientation, gender identity, or gender expression will be maintained.

Other: University policy will be followed in regards to withdrawals during the semester. It is the student’s responsibility to conform with the university rules relating to dropping or withdrawing from the course.

Concealed Carry Policy

Texas Senate Bill - 11 (Government Code 411.2031, et al.) authorizes the carrying of a concealed handgun in Texas A&M University-Commerce buildings only by persons who have been issued and are in possession of a Texas License to Carry a Handgun. Qualified law enforcement officers or those who are otherwise authorized to carry a concealed handgun in the State of Texas are also permitted to do so. Pursuant to Penal Code (PC) 46.035 and A&M-Commerce Rule 34.06.02.R1, license holders may not carry a concealed handgun in restricted locations. For a list of locations, please refer to

(<http://www.tamuc.edu/aboutUs/policiesProceduresStandardsStatements/rulesProcedures/34SafetyOfEmployeesAndStudents/34.06.02.R1.pdf>) and/or consult your event organizer). Pursuant to PC 46.035, the open carrying of handguns is prohibited on all A&M-Commerce campuses. Report violations to the University Police Department at 903-886-5868 or 9-1-1.

Email Policy

This is a web-enhanced course utilizing D2L. You may email me as well as any student in the class by utilizing the e-mail feature in D2L. Please write the number of the course and your name on all correspondence and any homework you submit. I will be communicating with you using your myLeo account that is provided by the university. Please check your e-mail frequently. The professor is NOT responsible for any technical difficulties experienced during the course. The quickest manner in which to get in touch with me is through email directly as I check the class in the mornings and in the evenings only.

The following schedule lists the specific assignments for the course. This syllabus is subject to change as needed to meet the objectives or administration of the course at the discretion of the Professor. It is not anticipated that there will be any substantive changes.

Class Schedule and Assignments Financial Statement Analysis ACCT 311 – Summer 2020 (June 1, 2020 – July 2, 2020)

Week 1 (June 1 – June 7, 2020)

Chapter 1 Overview of Financial Statement Analysis

- Read Chapter 1 on Overview of Financial Statements
- Discussion: Read Case 1.4 Biolase, Inc. and post your comments to the questions posted by the professor on the discussion board.
- Individual Project: Read the Amazon Case (see Week 1 tab in the content of the course for instructions and the case labeled Semester Project Case). Complete Milestone #1 of the project (See Part II of the outline included in the syllabus) and submit the report through the drop box folder.
- All assignments are due **June 7th**.

Week 2 (June 8– June 14th, 2020)

Chapter 2 & 3 The Balance Sheet and Income Statement

- Read Chapter 2 The Balance Sheet
 - Read Chapter 3 The Income Statement and Statement of Stockholder's Equity
 - Discussion: Post your comments related to Case 2.3 on Walgreen Co. on the discussion board.
 - Individual project: Using the financial statements provided for Amazon (see the file labeled Semester Project Case in Week 1 of the course), review the balance sheet and income statements as well as the common size and percentage change for the balance sheet and income statement. Submit a written report with the analysis of the balance sheet and income statements.
 - All assignments are due June 14th.
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- **Exam 1 (Chapters 1-3) due by June 18th at 11:59pm.**

Week 3 (June 15th – June 21, 2020)

Chapter 4 Statement of Cash Flows

- Read Chapter 4 on Statement of Cash Flows
- Discussion: Post your comments related to Case 4.4 Hydrogenics Corporation on the discussion board.
- Individual Project: Review the statement of cash flows for Amazon and discuss how the company uses and obtains cash. Specifically discuss the three sections of the statement of cash flows. Submit a written report via the folder in D2L.
- All assignments are due June 21st.

Week 4 (June 22 – June 27, 2020)

Chapter 5 Analysis of Financial Statements

- Read Chapter 5 on Financial Analysis using Ratios.
- THERE IS NO CASE DISCUSSION POSTING THIS WEEK
- Individual Project: Review the ratio calculations provided for Amazon and submit a written report indicating how the company is performing from a liquidity, asset and profitability perspective.
- All assignments are due by **June 27th.**

Week 5 (June 28th – July 1, 2020)

Final Exam & Completed Project

- Individual Project: Combine all parts of the group project and submit along with the summary and introduction sections. If you have made changes to the project based on the comments provided by the professor be sure to include those as well. **Due June 30th.**
- **Exam II (Chapters 4-5) due by July 1st.**

ACCT 311 Course Grading Rubric

Grading Rubric for Paper

	Exceeds Standards	Meets Minimum Standards	Fails to Meet Standards
Effective Written Communication Paper was prepared according to written instructions, followed APA format, and proper use of punctuation and grammar. (20%)	Paper was clear and prepared according to the outline. Followed APA format and had minimal grammatical mistakes. Provided adequate citations.	Met basic criteria of the outline and followed APA format. Has some grammatical mistakes.	Met none of the basic criteria for the outline or failed to follow APA format. Has many grammatical mistakes and hard to read and understand.
Analysis of Various Sections Uses financial concepts/tools. Uses concepts from each chapter to analyze the company chosen and its industry and competitors. (80%)	Prepared each section as indicated in the outline and applied the proper financial analysis, theories, and concepts to the company analysis. Supporting calculations and explanations are included.	Minimally demonstrated knowledge of, and/or capability to apply financial concepts/financial analysis to the company. Submitted a 10 page paper.	Failed to demonstrate knowledge of or application of concepts/tools learned.

Due Dates and Points Assigned

Milestone	Points/ % Final Grade (30%)	Due Date
1	20	6/7/2020
2	20	6/14/2020
3	20	6/21/2020
4	20	6/27/2020
5	20	6/30/2020