

**Texas A & M University – Commerce**  
**Department of Accounting & Finance**  
***Financial Statement Analysis for Global Entrepreneurs***  
**ACCT 311-01W**  
**Summer I, 2023 (June 5 – July 27, 2023)**

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 to meet with me in person or virtually. 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 from.

**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:**

**Financial Statement Analysis and Valuation, 6/E \*\*D2L Inclusive Access\*\***

Authors: Easton, McAnally, and Sommers

ISBN: 978-1-61853-360-9.

Publisher: Cambridge Business Publishers

What does **Inclusive Access** mean? MyLeo/ D2L opens the first day of classes. You will receive an email about Inclusive Access for this course prior to the semester starting. Do not delete it. When you register to take this class, you are automatically charged for access and the e-text (unless you opt out- not recommended). You do not have to purchase the e-textbook or access because they are included in your tuition and fees. You will login to myBusinessCourse (MBC) from the Content area of D2L.

**College of Business Student Learning Outcomes:**

1. Students will demonstrate proficiency in spoken communications by delivering clear and well-structured business presentations.
2. Students will demonstrate proficiency in written communications by creating clear and well-structured business documents.
3. Students will identify and evaluate ethical business issues.
4. Students will identify and evaluate global business challenges.
5. Students will be analytical problem solvers in business environments.

### **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:

- CO 3 and 5: Understand financial statements, both from a historical viewpoint and the relationship between the Income Statement, the Balance Sheet and the Statement of Cash Flows.
- CO 2, 3, 4: 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.
- CO 4: 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. In fairness to persons submitting assignments in a timely manner, assignments turned in late will not be accepted.
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 120 semester hours of courses; 3) Included in the 120 semester hours, 21 of upper level accounting courses; and 24 hours of upper level business courses. To be licensed as a CPA you must have 150 semester hours of 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. Homework Assignments and Exams will be completed in MyBusinessCourse (MBC). 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 our weekly zoom 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 8 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:

Homework assignments	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.

#### **Live Sessions**

I will be having bi-weekly live session via Zoom. Further information will be provided at the beginning of the course. I will also hold individual zoom session for students as needed.

#### **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 – to be done when the final analysis is completed
- 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 and Income Statement Analysis (Milestone 2)
  - A. Common-size analysis
- IV. Cash Flow Analysis (Milestone 3)

Please explain whether the company has had an inflow or outflow of cash in each of the three sections of the cash flow statement. Discuss what specific accounts have contributed to the inflows and outflows.

- V. Ratio Calculation of Financial Statements (Milestone 4) – Please use at least 2 ratios for each category.
- A. Liquidity Ratios
  - B. Asset Ratios
  - C. Leverage (debt) ratios
  - D. Profitability ratios
  - F. Market ratios
- VI. Conclusions/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)
- VII. 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 references). 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 2023 (June 5 – July 27, 2023)**

#### **Week 1 (June 5 – June 11, 2023)**

##### **Chapter 1 Framework for Analysis and Valuation**

##### **Chapter 2 Review of Business Activities and Financial Statements**

- Read Chapters 1 and 2
- Complete homework assignments in MBC.
- All assignments are due **June 11th**.
- **ZOOM SESSION ON JUNE 7, 2023**

#### **Week 2 (June 12– June 18<sup>th</sup>, 2023)**

##### Work on 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 & 2 of the project and submit the report through the drop box folder.
- Milestone 1 includes a discussion of management and the company's economic environment and climate
- Milestone 2 involves looking at the common size analysis for the balance sheet and income statement and explaining what the trends are
- Report is due on **June 18th**

### **Week 3 (June 19– June 25<sup>th</sup>, 2023)**

#### **Chapter 3 Profitability Analysis and Interpretation**

#### **Chapter 4 Credit Risk Analysis and Interpretation**

- Read Chapter 3 and Chapter 4
- Complete homework assignments in MBC
- All assignments are due **June 25<sup>th</sup>**.
- [ZOOM SESSION JUNE 21, 2023](#)
- **Exam 1 (Chapters 1-4) is due by June 27th at 11:59pm in MBC.**

### **Week 4 (June 26<sup>th</sup> – July 2, 2023)**

#### Work on Individual Project

- Complete Milestone 3. 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.
- Work on Milestone 4. Calculate ratios for Amazon related to profitability, solvency, and debt ratios. See list of ratios.
- Report is due on **July 2nd**.

### **Week 5 (July 3 – July 9th, 2023)**

#### **Chapter 5 Revenue Recognition and Operating Income**

#### **Chapter 6 Asset Recognition and Operating Assets**

- Read Chapter 5 and 6
- All homework assignments are due by **July 9th**.
- [ZOOM SESSION JULY 5, 2023](#)

### **Week 6 (July 10– July 16th, 2023)**

#### Work on Individual Project

- Continue work on Milestone 4: Calculate ratios related to sales, inventory and payables.
- Report is due by **July 16th**.

### **Week 7 (July 17– July 23rd, 2023)**

#### **Chapter 8 Equity Recognition and Owner Financing**

- Read Chapter 8
- Complete homework assignment in MBC



- Calculate ratios for equity for Amazon (Milestone 4)
- All homework assignments and ratio report are due on **July 23<sup>rd</sup>**.
- [\*\*ZOOM SESSION JULY 19\*\*](#)

### **Week 8 (July 24 – July 27th, 2023)**

#### **Final Exam & Completed Project**

##### Individual Project

- Combine all parts of the group project and submit all sections along with the summary and introduction sections (Milestone 5). If you have made changes to the project based on the comments provided by the professor be sure to include those as well. **Due July 27th.**

**Exam II (Chapters 5-6 and 8) due by July 27th.**

### **Due Dates and Project Assignments**

<b>Milestone</b>	<b>Section of Report</b>	<b>Due Date</b>
1	Environmental assessment	6/18/2023
2	Balance Sheet Analysis	6/18/2023
3	Income Statement Analysis	7/2/2023
4	Cashflow Statement & Profitability, solvency & Debt ratios	7/2/2020
4	Sales, Property and Inventory ratios	7/16/2023
4	Equity	7/23/2023
5	Introduction and Conclusion	7/27/2023

## ACCT 311 Course Grading Rubric

### Grading Rubric for Paper

	<b>Exceeds Standards</b>	<b>Meets Minimum Standards</b>	<b>Fails to Meet Standards</b>
<b>Effective Written Communication</b> 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.
<b>Analysis of Various Sections</b> 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.