

Texas A&M University-Commerce
FIN 440 – Financial Statement Analysis & Valuation – Summer II 2024
Syllabus

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Office: BA 319
Office Hours: Please email to schedule office hours.
Class Format: All lecture videos will be uploaded in MyLeo (D2L Brightspace). You MUST check your email and course D2L (MyLeo) on a regular basis.

Course Description and Objectives

The goal of this course is to provide the analytical framework students need to scrutinize financial statements, whether they are (i) evaluating a company's stock price, (ii) determining valuations for a merger or acquisition, or (iii) calculating the value of a start-up company from the perspective of a venture capitalist. By understanding the dynamic nature of financial ratios and evaluating the trends in historical series, students will be able to interpret financial statements in today's volatile markets and uncertain economy.

The student, upon completion of this course, should be able to:

1. Analyze the financial statements to get at the relevant information for valuing equities.
2. Perform ratio analysis for valuation.
3. Tie profitability into valuation.
4. Know how to deal with the accounting methods used in financial statements.
5. Develop financial analysis for strategy and planning.

Prerequisites

FIN 404, and basic knowledge of Mathematics, Statistics, and Accounting

Required Materials

Textbook: Easton, McAnally and Sommers, *Financial Statement Analysis & Valuation*, 6th Edition, Cambridge Business Publishers
Financial calculator: Texas Instruments BAII Plus or BAII Plus Professional

Grading System

Course total score will be based on the following components as below:

| | | |
|----------------------------|---|-------------------|
| D2L Quizzes (11*20 points) | = | 220 points |
| Project Assignment | = | 180 points |
| Mid-Term Exam | = | 300 points |
| <u>Final Exam</u> | = | <u>300 points</u> |
| Total | = | 1000 points |

Grades will be based upon the following standard:

| | | |
|---------------------|---|---|
| 900 points or above | = | A |
| 800 --- 899 points | = | B |
| 700 --- 799 points | = | C |
| 600 --- 699 points | = | D |
| Below 600 points | = | F |

Note: Instructor reserves the right to modify the above grading system with prior announcement in class or thru D2L/ email

Course Requirements

This course will use the MyLeo (D2L Brightspace) course management system. Please check the D2L regularly for course information, class lecture materials, quizzes, assignment, exam dates and announcements. D2L quizzes and assignments typically will have due dates and will not be available for submission after the due date. Because technical problems may arise, please do not wait until the last minute to complete assignments and quizzes. Use only Chrome to access this course on MyLeo (D2L Brightspace). D2L is a Windows-based product. Safari, Firefox, Edge, Internet Explorer (IE) are not supported browsers. Often your assignments are not fully visible/accessible from browsers other than Chrome. If you are using a Mac iOS, you must download the Chrome app. However, the app does not fully guarantee your full accessibility.

Examinations

Exams will be primarily of an objective nature, e.g., problem solving and multiple-choice. You will need your financial calculator for each exam. You must not discuss exam contents with any other person. You are on your honor to help preserve the integrity of the exam. Make-up exams will ONLY be considered under extenuating circumstances. Work, personal travel, etc. are NOT extenuating circumstances. Extenuating circumstances would include school sponsored excused event (communicated by faculty advisor/coach), hospitalization, medical emergency, physical injury, or death of an immediate family member. You will be required to provide proof of the extenuating circumstance to be approved for a make-up exam. Make-up exams for students attending school-sponsored events, are scheduled before event departure. Other approved makeups are scheduled within three days of approval of documented extenuating circumstances.

Project Assignment

There will be one project assignment given during the term. The project assignment will focus on financial analysis on an assigned company. Details on the project will be provided during the term. You are encouraged (NOT mandatory) to work in groups with a maximum of four members in each group. You are free to form your own group for the project assignment. There will be NO extension on the Project deadline.

Quizzes

There will be several D2L quizzes given during the term through D2L. Each quiz will typically cover a chapter and may include both conceptual and problem questions. You are allowed to use your textbook and class lecture materials during the homework quizzes; however, you must complete those on your own without anyone's help. Each quiz will have its deadline and there will be NO extension on the deadline.

Tentative Course Schedule

| Dates | Chapter |
|-----------|---|
| Jul 8-14 | Module 1: Framework for Analysis and Valuation Module 2: Review of Business Activities and Financial Statements Module 3: Profitability Analysis and Interpretation |
| Jul 15-21 | Module 4: Credit Risk Analysis and Interpretation Module 15: Market-Based Valuation Module 8: Equity Recognition and Owner Financing |
| Jul 22-28 | Mid-Term Exam: Modules 1-4 & 15 Module 11: Financial Statement Forecasting Module 5: Revenues Recognition and Operating Income Module 6: Asset Recognition and Operating Assets |
| | |

| Dates | Chapter |
|---------------|--|
| Jul 29- Aug 4 | Project Assignment Due Module 7: Liability Recognition and Non-owner Financing Module 9: Intercorporate Investments |
| Aug 5-7 | Final Exam |

Note: All dates are tentative and may be changed with prior announcement in class or thru D2L/ email.

A&M-Commerce Supports Students' Mental Health

The Counseling Center at A&M-Commerce, located in the Halladay Building, Room 203, offers counseling services, educational programming, and connection to community resources for students. Students have 24/7 access to the Counseling Center's crisis assessment services by calling 903-886-5145. For more information regarding Counseling Center events and confidential services, please visit www.tamuc.edu/counsel

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 Services

Email: StudentDisabilityServices@tamuc.edu

Web: <https://www.tamuc.edu/student-disability-services/>

Academic Integrity

Students at Texas A&M University-Commerce are expected to maintain high standards of integrity and honesty in all of their scholastic work. For more details and the definition of academic dishonesty see the following procedures:

Undergraduate Academic Dishonesty 13.99.99. R0.03

<https://inside.tamuc.edu/aboutus/policiesproceduresstandardsstatements/rulesprocedures/13students/undergraduates/13.99.99.R0.03UndergraduateAcademicDishonesty.pdf>

Graduate Student Academic Dishonesty 13.99.99. R0.10

<https://inside.tamuc.edu/aboutus/policiesProceduresStandardsStatements/rulesProcedures/13students/graduate/13.99.99.R0.10.pdf>

Nondiscrimination Statement

Texas A&M University-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.

Campus Concealed Carry

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 the Carrying Concealed Handguns On Campus document and/or consult your event organizer.

Web url:

<https://inside.tamuc.edu/aboutus/policiesProceduresStandardsStatements/rulesProcedures/34SafetyOfEmployeesAndStudents/34.06.02.R1.pdf>

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.