

*Department of Accounting, Finance, Economics, and Business Law
College of Business
East Texas A&M University*

**FIN 440 (01E) – Financial Statement Analysis and Valuation
Spring Semester, 2026**

Instructor: Dror Parnes, Ph.D.

Email: Dror.Parnes@etamu.edu

Class Hours: Tuesday and Thursday, 11 AM – 12:15 PM in BA203

Office Hours: Tuesday, 1 PM – 6 PM in BA302 (in office and online)

Course Dates: 1/12/2026 – 5/8/2026

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. Students, 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.

Recommended (Not Required) Textbook

“Financial Statement Analysis,” 11th Edition. By K.R. Subramanyan. McGraw-Hill Education.



The textbook can be used as further reading material, but all you need for the course are my Power Point slides, and my practice questions and answers already posted.

Exams and Grading

We will cover 11 topics in this course. For each topic there are Q&A posted, and students do not need to submit them. However, at the end of each PDF file of Q&A, there are a few additional homework problems to solve and submit on a weekly basis. Altogether there are 22 problems to solve with scores ranging from 3 to 6 points each. Many of these problems are complex and time consuming. Total (accumulated) score is 100. The points given to each problem are written next to these problems. Students need to solve these problems and submit their solutions at the beginning of each subsequent class. There will be no exams or quizzes in addition.

Course Content and Communication

All communications will take place through ETAMU official website (D2L).

Grading System

Your final grade will be based on the accumulated scores in the homework problems. I will assign a final grade according to: 'A' (from 90 to 100), 'B' (from 80 to 90), 'C' (from 70 to 80), 'D' (from 60 to 70), 'F' (less than 60). *There will be no more optional bonus points or mercy assignments, so make sure to do your best when you solve these problems!*

Attendance and General Behavior

This is a face-to-face course, and students must have high self-discipline. We will move forward with the curriculum pretty fast. It is your responsibility to listen to the lectures, to download / print the Power Point presentations and the Q&A clarifying questions and answers, and to take as many notes as you can. If you have additional questions, catch my attention right away (likely through email), or come to discuss it over office hours (please notify me in advance).

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, Gee Library Room 132

Phone: (932) 886 – 5150 or (932) 886 – 5835

Email: Rebecca.Tuerk@tamuc.edu

Scholastic Dishonesty

Academic integrity is the cornerstone of the university. Any student, who attempts to gain an unfair advantage over other students by cheating, will fail the course and be reported to Texas A&M University-Commerce. "All students enrolled at the University shall follow the tenets of common decency and acceptable behavior conducive to a positive learning environment" Student Handbook.

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 (<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.

Counseling Center

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

AI Use Policy

Texas A&M University-Commerce acknowledges that there are legitimate uses of Artificial Intelligence, ChatBots, or other software that has the capacity to generate text, or suggest replacements for text beyond individual words, as determined by the instructor of the course. Any use of such software must be documented. Any undocumented use of such software constitutes an instance of academic dishonesty (plagiarism).

Individual instructors may disallow entirely the use of such software for individual assignments or for the entire course. Students should be aware of such requirements and follow their instructors' guidelines. If no instructions are provided, the student should assume that the use of such software is disallowed. In any case, students are fully responsible for the content of any assignment they submit, regardless of whether they used an AI, in any way. This specifically includes cases in which the AI plagiarized another text or misrepresented sources.

13.99.99.R0.03 Undergraduate Academic Dishonesty

13.99.99.R0.10 Graduate Student Academic Dishonesty

Class Schedule

Lectures / Weeks	Topic
1-2	Introduction and Overview of Financial Statement Analysis
3	Financial Reporting and Analysis
4-6	Analyzing Financing Activities (including Leases and Pensions)
6	Analyzing Investing Activities
7	Inter-Corporate Investments
8	Analyzing Operating Activities
9	Cash Flow Analysis
10	Return on Invested Capital and Profitability Analysis
11	Prospective Analysis
12-13	Credit Analysis
14-15	Equity Analysis and Valuation

 The schedule is due to possible changes.

Good luck...