

# EM3E5M21

## Program

**PGE**  
PGE 3A -Finance (FIN)

## UE

Financial Reporting and Analysis

## Semester

B

## Discipline

Accounting / Audit

## Contact hours

13 H

## Number of spots

45

## Open to visitors

Yes

## Language



## Coordinator

Vivien LEFEBVRE



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## List of lecturers

Lecturer(s)	Email	Contact hours - lecture
Vivien LEFEBVRE	<a href="mailto:vivien.lefebvre@em-strasbourg.eu">vivien.lefebvre@em-strasbourg.eu</a>	13 h

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**Pedagogical contribution of the course to the program**

**LEARNING GOAL 1 : Students will master state-of-the-art knowledge and tools in management fields in general, as well as in areas specific to the specialized field of management.**

Students will identify a business organization's operational and managerial challenges in a complex and evolving environment.

Students will understand state-of-the-art management concepts and tools and use them appropriately.

Students will implement appropriate methodologies to develop appropriate solutions for business issues.

**LEARNING GOAL 2 : Students will develop advanced-level managerial skills.**

Students will work collaboratively in a team.

Students will communicate ideas effectively, both orally and in writing, in a business context.

**LEARNING GOAL 4: Students will study and work effectively in a multicultural and international environment.**

Students will demonstrate written and oral competency in two foreign languages.

Students will analyze business organizations and problems in a multicultural and international environment

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## Description

The course provides an overview of the key concepts used to conduct a financial and stock market analysis. The introduction points out the growing importance of reliable financial statements in a globalization context. The first part covers the financial accounts. The second part covers the most frequently used measures and techniques to conduct a financial accounts' analysis. In this section, particular attention is paid to value creation for shareholders. The last part covers the tools and techniques used to conduct a stock market analysis. Students are expected to participate actively during the class.

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## Teaching methods

### Face-to-face

- Lectures
- Tutorials
- E-learning

### In group

**No items in this list have been checked.**

### Interaction

**No items in this list have been checked.**

### Others

**No items in this list have been checked.**

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# Learning objectives

## Cognitive domain

Upon completion of this course, students should be able to

- - (level 2) **Explain** the growing importance of effective accounting systems and reliable financial documents in the context of an accelerated globalization.
  - - (level 2) **Describe** the nature of the major financial documents (income statement, balance sheet and cash flow statement), their underlying principles and respective interdependencies.
  - - (level 3) **Demonstrate** the fundamental steps of a financial analysis (margin analysis, efficiency analysis, financing, profitability and risk analysis)
  - - (level 3) **Compute** key financial analysis and stock market analysis indicators
  - - (level 4) **Analyze** the accounting ratios and stock market indicators to point out the strengths and weaknesses of a financial situation
  - - (level 4) **Distinguish** between accounting and economic indicators
  - - (level 4) **Examine** risk measures (liquidity ratio, gearing ratio) to point out certain areas of risk such as high financial leverage and distinguish between high returns driven by risk and true value creation
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## Affective domain

Upon completion of this course, students should be able to

**None affective domain have been associated with this course yet**

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## Outline

Introduction: Accounting and financial statements as a source of information for decision makers

Chapter 1: Financial statements analysis

1. Income statement
2. Balance sheet
3. Cash flow statement

Chapter 2: Efficiency, profitability, and risk indicators

1. Profitability and efficiency analysis
2. Profitability and value creation
3. Financial risk and leverage

Chapter 3: Market-based indicators

1. Equity, shares, and stock markets indicators
  2. Company value and multiples
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## **No prerequisite has been provided**

### Knowledge in / Key concepts to master

Basic knowledge in

- accounting
- corporate finance
- Time value of money concepts (NPV, Future value)

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## **Teaching material**

### Mandatory tools for the course

- Computer
- Calculator

### Documents in all formats

- Photocopies
- Case studies/texts
- Worksheets

### Moodle platform

- Upload of class documents

### Software

**No items in this list have been checked.**

### Additional electronic platforms

**No items in this list have been checked.**

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## **Recommended reading**

Main reading material

CORPORATE FINANCE: THEORY AND PRACTICE (Paperback) by Pascal Quiry (Author), Maurizio Dallochio (Author), Yann le Fur (Author), Antonio Salvi (Author)

Publisher: John Wiley

CROSSKNOWLEDGE PLATFORM EM-Essential concepts in finance : the financial statements

CROSSKNOWLEDGE PLATFORM EM-Essential concepts in finance : FINANCIAL ANALYSIS

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Additional literature

VERNIMMEN newsletter:<http://www.vernimmen.com/html/letter/index.php>

lettre VERNIMMEN: <http://www.vernimmen.net/html/lettre/index.php>

- ATRILL / MCLANEY (2011): Financial Accounting for Decision Makers, Prentice Hall, 6th ed.
  - BENEDICT / ELLIOTT (2011): Financial Accounting - An Introduction, Prentice Hall, 2nd ed.
  - HARRISON / HORNGREN / THOMAS / SUWARDY (2011): Financial Accounting - IFRS, Pearson
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### **EM Research: Be sure to mobilize at least one resource**

Textbooks, case studies, translated material, etc. can be entered

**No reading material has been provided.**

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## **Assessment**

### **List of assessment methods**

**Final evaluation**Other (date, pop quiz, etc.) : N/A

Written (900 Min.) / Group / English / Weight : 100 %

**Details :** The assessment is based on a financial analysis group work. By groups of four, students are asked to perform a full financial analysis of a French publicly listed firms. An intermediate follow-up session will be organized to answer the key questions and provide guidance to the work. Deadline for submission of the final work will be indicated during the first class.

**This evaluation is used to measure L01.1, L01.2, L01.3, L02.1, L02.3, L04.1, L04.2**