

# EM054M21A1

## Program

**PGE**  
PGE 2A - FINANCE - COMPTABILITE

## UE

Essential concepts in financial analysis

## Semester

A

## Discipline

Finance

## Contact hours

27 H

## Number of spots

45

## ECTS

5

## Open to visitors

Yes

## Language



## Coordinator

Christine SERVEY



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## List of lecturers

Lecturer(s)	Email	Contact hours - lecture
Christine SERVEY	<a href="mailto:christine.servey@em-strasbourg.eu">christine.servey@em-strasbourg.eu</a>	27 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.

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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. Oral interaction in class will be facilitated by the numerous quiz which will be answered.

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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

- Internships
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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**

I General introduction

II Financial accounts

1. Accounting: A crucial information source for decision making
2. Profit and loss statement
3. Balance sheet
4. Cash flow statement
5. Statement of changes in equity
6. Relationships between financial statements

III Financial accounts'analysis

1. From financial accounts to financial analysis
2. Profitability analysis
3. Efficiency analysis
4. Value creation and performance measurement
5. Risk analysis and financial leverage
6. How to conduct a financial analysis?

IV Stock market analysis

1. Key financial concepts for shares
2. Market multiples
3. How to conduct a stock market analysis?

V General conclusion

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## **No prerequisite has been provided**

### Knowledge in / Key concepts to master

Basic knowledge in

- accounting
- corporate finance
- basic knowledge of financial statements
- Time value of money concepts (NPV, Future value)

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## **Teaching material**

### Mandatory tools for the course

- Computer
- Calculator
- Reference manuals

### Documents in all formats

- Photocopies
- Worksheets

### Moodle platform

- Upload of class documents
- Assessments

### 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

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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>

Further references to academic literature can be found at the end of every chapter of the VERNIMMEN textbook

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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**

**Intermediate assessment / continuous assessment 1**Other (date, pop quiz, etc.) : to be specified in class

Written (33 Min.) / Individual / English / Weight : 5 %

**Details :** Students will have to complete 3 quizzes on the moodle page of the class corresponding to each of the three parts to the course. Each quiz will be open for one day only. There will be one trial only for each of the three quizzes, questions will be randomly picked among the questions appearing in the on line quizzes

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

**Intermediate assessment / continuous assessment 2**Other (date, pop quiz, etc.) : TO BE SPECIFIED IN CLASS

Written (50 Min.) / Individual / English / Weight : 25 %

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

**Final evaluation**Exam week

Written (120 Min.) / Individual / English / Weight : 70 %

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