

| NAME OF THE COURSE | | Financial Statement Analysis | | | | | |
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| Code | ECM210 | Year of study | 3. | | | | |
| Course teacher | Tina Vuko, PhD Associate Professor Slavko Šodan, PhD Associate Professor | Credits (ECTS) | 5 ECTS | | | | |
| Associate teachers | Ivana Perica, PhD Marko Čular, PhD Assistant Professor | Type of instruction (number of hours) | L | S | E | F | |
| | | | 26 | | 26 | | |
| Status of the course | Compulsory | Percentage of application of e-learning | 20% | | | | |
| COURSE DESCRIPTION | | | | | | | |
| Course objectives | The students will be able to apply different methods and techniques of financial statement analysis to evaluate company performance. | | | | | | |
| Course enrolment requirements and entry competences required for the course | Entry requirements are defined by the Statute of the Faculty of Economics, Business and Tourism and Study Regulations | | | | | | |
| Learning outcomes expected at the level of the course (4 to 10 learning outcomes) | <div>1. To compare financial statements and their elements.</div> <div>2. To analyse financial statements.</div> <div>3. To compare financial performance with economic profitability and qualitative drivers of business performance.</div> | | | | | | |
| Course content broken down in detail by weekly class schedule (syllabus) | Lectures | | Exercises | | | | |
| | Topic | Hours | Topic | Hours | | | |
| | The purpose and the relevance of financial statement analysis. | 2 | Introduction to financial statement analysis. | 2 | | | |
| | Regulative framework of financial reporting. Accounting principles and quality of financial statements. | 2 | Sources of information for financial analysis: publicly available financial statements and other relevant information. | 2 | | | |
| | Understanding financial statements as the basis for business performance analysis. Balance sheet structure and elements. Income statement structure and elements. | 2 | Analysis of balance sheet structure and elements. Analysis of income statement structure and elements. Examples. | 2 | | | |
| | Common-size financial statement analysis (vertical and horizontal analysis). | 2 | Horizontal and trend analysis. Vertical analysis. Examples. | 2 | | | |
| | Introduction to ratio analysis. Liquidity and solvency analysis. Activity (turnover) analysis. | 2 | Practical cases of liquidity, solvency and activity analysis. Comparison of ratios over the time and across the industry. | 2 | | | |
| | Profitability and investment analysis. Some specificities of financial statement analysis in manufacturing, trade and utility sector. | 2 | Practical cases of profitability and investment analysis. Comparison of ratios over the time and across the industry. | 2 | | | |
| | Accounting manipulations and other limitations of financial statement analysis. Understanding notes to the financial statements. | 2 | Analysing alternative accounting methods effects on financial statements. Understanding disclosures in the notes of the financial statements. | 2 | | | |

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| | Cash flow statement structure and elements. | 2 | Cash flow statement: types of cash flow and methods of presenting cash flows – examples. | 2 | | | | | | | | | | | | | | |
| | Cash flow analysis. | 2 | Examples of cash flow statement analysis. | 2 | | | | | | | | | | | | | | |
| | System of ratios and synthetic ratio analysis. | 2 | System of ratios and synthetic ratio analysis – case studies and examples. | 2 | | | | | | | | | | | | | | |
| | Comparison of financial accounting profitability measures and economic profitability. | 2 | Examples of economic analysis of business performance (economic profit, EVA). | 2 | | | | | | | | | | | | | | |
| | Comparison of financial (quantitative) and non-financial (qualitative) measures of business performance. Corporate social responsibility. | 2 | Examples of non-financial measures of business performance and integration with financial measures. | 2 | | | | | | | | | | | | | | |
| | Financial statement analysis of credit and insurance institutions. | 2 | Examples of financial statement analysis of credit institutions. | 2 | | | | | | | | | | | | | | |
| Format of instruction | <input checked="" type="checkbox"/> lectures <input type="checkbox"/> seminars and workshops <input checked="" type="checkbox"/> exercises <input type="checkbox"/> <i>on line</i> in entirety <input type="checkbox"/> partial e-learning <input type="checkbox"/> field work | | <input type="checkbox"/> independent assignments <input type="checkbox"/> multimedia <input type="checkbox"/> laboratory <input type="checkbox"/> work with mentor <input type="checkbox"/> (other) | | | | | | | | | | | | | | | |
| Student responsibilities | To obtain a signature, students have to regularly attend classes and achieve minimum 50% of the attendance. Students also have to take four self-assessment tests. | | | | | | | | | | | | | | | | | |
| Screening student work (<i>name the proportion of ECTS credits for each activity so that the total number of ECTS credits is equal to the ECTS value of the course</i>) | Class attendance | 1,5 | Research | | Practical training | | | | | | | | | | | | | |
| | Experimental work | | Report | | Self-Assessment Tests | 0,5 | | | | | | | | | | | | |
| | Essay | | Seminar essay | | (Other) | | | | | | | | | | | | | |
| | Tests* (two written tests are equivalent to final exam) | 3 | Oral exam | | (Other) | | | | | | | | | | | | | |
| | Written exam | 3 | Project | | (Other) | | | | | | | | | | | | | |
| Grading and evaluating student work in class and at the final exam | <p>During the classes, students can take two tests. The necessary condition for taking the second test is to obtain passing grade from the first test. Students that achieve minimum 50% on each test, and on average 60% from both tests have passing grade on the final exam. A student can earn additional 10 percentage points on final score by actively participating in the class. The additional points can be used in first two exam terms. Final exam is written and consist from two parts: theory and problem/solutions tasks.</p> <p>To pass, it is necessary to achieve a minimum of 50% of points from the theory and a minimum of 50% of points from the problem/solution tasks, and on average to achieve a minimum of 60% of points at the level of the entire exam.</p> <p>Exam and tests grades are defined as follows:</p> <table><tr><td>Percentage</td><td>Grade</td></tr><tr><td>0% - 59%</td><td>Insufficient (1)</td></tr><tr><td>60% - 69%</td><td>Sufficient (2)</td></tr><tr><td>70% -79%</td><td>Good (3)</td></tr><tr><td>80%- 89%</td><td>Very good (4)</td></tr><tr><td>90% - 100%</td><td>Excellent (5)</td></tr></table> | | | | | | Percentage | Grade | 0% - 59% | Insufficient (1) | 60% - 69% | Sufficient (2) | 70% -79% | Good (3) | 80%- 89% | Very good (4) | 90% - 100% | Excellent (5) |
| Percentage | Grade | | | | | | | | | | | | | | | | | |
| 0% - 59% | Insufficient (1) | | | | | | | | | | | | | | | | | |
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| 80%- 89% | Very good (4) | | | | | | | | | | | | | | | | | |
| 90% - 100% | Excellent (5) | | | | | | | | | | | | | | | | | |

| | Title | Number of copies in the library | Availability via other media |
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| Required literature (available in the library and via other media) | Grupa autora (redaktor Žager, L.): Analiza finansijskih izvještaja: načela-postupci-slučajevi, četvrto izmijenjeno i dopunjeno izdanje, Hrvatska zajednica računovođa i finansijskih djelatnika, Zagreb, 2020. | x | |
| | Internal lectures materials | | Moodle |
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| Optional literature (at the time of submission of study programme proposal) | <p>Books: Popović, Ž., Vitezić, N.: Revizija i analiza instrumenti uspješnog donošenja poslovnih odluka, RiF, Zagreb, 2009. Tintor, J.: Poslovna analiza, Masmedia, Zagreb, 2009. White, G. I., Shondi, A. C., Fried, D.: The Analysis and Use of Financial Statements, John Wiley & Sons Inc., New York, 2003.</p> <p>Papers: Amel-Zadeh, Amir, and George Serafeim. "Why and how investors use ESG information: Evidence from a global survey." <i>Financial Analysts Journal</i> 74, no. 3 (2018): 87-103.</p> <p>Aljinović Barać, Z., Granić, M., & Vuko, T. (2014). The determinants of Voluntary disclosure in Croatia. <i>World Academy of Science, Engineering and Technology, International Journal of Social, Behavioral, Educational, Economic, Business and Industrial Engineering</i>, 8(4), 1057-1063.</p> <p>Aljinović Barać, Z., Vuko, T., & Šodan, S. (2017). What can auditors tell us about accounting manipulations? <i>Managerial Auditing Journal</i>, 32(8), 788-809.</p> <p>Aljinović Barać, Ž., Vuko, T., & Vučak, T. (2013). Effects of working capital management on profitability: evidence from Croatia. <i>Economic integrations, competition and cooperation: Accession of the Western Balkan Countries to the European Union; Conference proceedings</i> (Kandžija, V ; Kumar, A. (ur.)); Rijeka, University of Rijeka, Faculty of Economics; 578-589.</p> <p>Rogošić, A. i Perica, I. (2017). Analiza finansijskih izvještaja neprofitnih organizacija, Zbornik radova: 52. jesensko savjetovanje Računovodstvo, revizija i porezi u praksi, Aljinović Barać, Ž. (ur.). - Brela: Udruga računovođa i finansijskih djelatnika Split, str. 123-136.</p> <p>Šodan, S., Perica, I., & Tokić, L. (2017). Distribution of financial performance measures—evidence on accounting manipulation. In 2. <i>Međunarodna znanstvena konferenciju "Pravni i ekonomski aspekti procesa integracije Bosne i Hercegovine u Europsku uniju"</i>, 89-104.</p> <p>Other sources: FINA (https://www.fina.hr/Default.aspx) Poslovna Hrvatska http://www.poslovna.hr Zagrebačka burza (zse.hr) Amadeus (https://www.bvdinfo.com)</p> | | |
| | <p>Quality assurance methods that ensure the acquisition of exit competences</p> <ul style="list-style-type: none"> - Attendance and fulfilment of student obligations monitoring (by the teacher). - Attendance monitoring (by the vice-dean for education). - The analysis of students' performance across classes within the study programme (by the vice-dean for education). | | |

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| | <ul style="list-style-type: none"> - Students' feedback via questionnaires (UNIST, Centre for quality improvement). - The course teacher examines all outcomes of the course. The content of the exam is assessed periodically in order to establish the adequacy of course outcomes examination (by the vice-dean for education). |
| Other (as the proposer wishes to add) | |