NAME OF THE COURSE	Business and financial analysis					
Code	ECS416	Year of study	1			
Course teacher	Tina Vuko, Associate professor Slavko Šodan, Associate professor	Credits (ECTS)	6			
Associate teachers		Type of instruction (number of hours)	L	S	E	F
			26		26	-
Status of the course	Mandatory	Percentage of application of e-learning	20%			

COURSE DESCRIPTION

Course objectives	To make students competent enough to analyze business operations using different methods and techniques of financial analysis.
Course enrolment requirements and entry competences required for the course	Prerequisites are prescribed by the Statute of the Faculty of Economics, and by the Regulations on the study.
Learning outcomes expected at the level of the course (4 to 10 learning outcomes)	Course learning outcome: 1. To evaluate the financial performance and financial position of a company by applying different methods and techniques of financial analysis and to predict future financial performance and the value of a company. Individual learning outcomes: 1. To identify the business strategy of a company and its position within the business sector by using appropriate techniques of financial analysis. 2. To evaluate financial statements elements using the methods and techniques of financial analysis. 3. To identify the potential constrains and risks associated with financial reporting process. 4. To evaluate financial performance and position of a company based on values of financial indicators. 5. To assess future financial performance and value of a company using appropriate methodological approach.

Course content broken down in detail by weekly class schedule (syllabus)	Lectures		Exercises	
	Topic	Hours	Topic	Hours
	Introduction and importance of business analysis. Overview of business activities.	2	Introduction to MS Excel application.	2
	Financial reporting and other relevant information sources for business analysis.	2	Practical example in MS Excel: Various sources of data for analysis and links between financial statements.	2
	Accounting analysis: financial reporting recognition and measurement of assets and liabilities	2	Practical example in MS Excel: Recognition and measurement of balance sheet items.	2

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	Analysis of the income statements and cash flow statement	2	Practical example in MS Excel: Preparing and analyzing income statement and cash flow statement.	2
	Methods and techniques of financial analysis: horizontal and vertical analysis. Limitations in financial reporting process. Analysis of the business sector and business strategy.	2	Practical example in MS Excel: Various methods and techniques of financial analysis. Financial statements specifics for companies from different industries and companies with different business strategy.	2
	Liquidity analysis	2	Practical example in MS Excel: Liquidity analysis.	2
	Analysis of long-term debt-paying ability	2	Practical example in MS Excel: Analysis of long-term debt-paying ability.	2
	Profitability analysis: Du Pont Analysis	2	Practical example in MS Excel: Du Pont analysis	2
	Investor analysis and cash flow analysis	2	Practical example in MS Excel: Investor analysis and cash flow analysis	2
	Credit risk analysis and models for risk assessment	2	Practical example in MS Excel: Credit risk analysis and calculation of models for risk assessment	2
	Forecasting future financial performance. Sensitivity analysis.	2	Practical example in MS Excel: Forecasting future financial performance on a practical example.	2
	Models and methods of valuation based on financial statements. Basic economic models for valuation.	2	Practical example in MS Excel: Models and methods of valuation based on financial statements. Basic economic models for valuation.	2
	Market valuation: Multipliers.	2	Practical example in MS Excel: Models and methods of valuation based on market multipliers..	2

Format of instruction	X lectures ☐ seminars and workshops X exercises ☐ on line in entirety X partial e-learning ☐ field work	☐ independent assignments ☐ multimedia ☐ laboratory ☐ work with mentor ☐ (other)

Student responsibilities	Students are required to accomplish 4 self assessment tests and to have regular class attendance (min 50% of lectures and exercises) in order to get the right to access the exam.					

Screening student work *(name the proportion of ECTS credits for each*	Class attendance	1,5	Research		Practical training	
	Experimental work		Report		Samoevaluacijski testovi	0,5

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activity so that the total number of ECTS credits is equal to the ECTS value of the course)	Essay		Seminar essay		(Other)	
	Tests	2*	Oral exam	2	(Other)	
	Written exam	2	Project		(Other)	

Grading and evaluating student work in class and at the final exam	During the semester two tests will be organized. Successfully passing the both tests will replace the written part of the final exam. Students must achieve a minimum of 50% of points from each test to pass the written part of the final exam. By active participation in the course, a student can earn an additional 10 points. The average number of points from both passed test increased by points from active participation forms the grade of the written part of the final exam according to the threshold values specified below. The final exam consists of two parts, written and oral exam. For a successful pass students must achieve at least 50% on the written and the oral part of final exam. After passing the written exam, a student is permitted to take the oral exam. The average number of points from passed tests (or written exam) correspond to following grades of the written part of the final exam: 0-49 insufficient (1) 50-65 sufficient (2) 66-75 good (3) 76-85 very good (4) 86-100 excellent (5) The final grade is the average of the grade from the written and oral part of the final exam.

	Title	Number of copies in the library	Availability via other media
Required literature (available in the library and via other media)	Grupa autora (redaktor Žager, L.): Analiza financijskih izvještaja: načela-postupci-slučajevi, četvrto izmijenjeno i dopiunjeno izdanje, Hrvatska zajednica računovođa i financijskih djelatnika, Zagreb, 2020.	x	-
	Spreadsheet exercises and lectures study materials	-	Moodle

Optional literature (at the time of submission of study programme proposal)	Ball, R., & Nikolaev, V. V. (2021). On earnings and cash flows as predictors of future cash flows. *Journal of Accounting and Economics*, 101430. Amel-Zadeh, Amir, and George Serafeim. Why and how investors use ESG information: Evidence from a global survey. *Financial Analysts Journal* 74, no. 3 (2018): 87-103.Aljinović Barać, Željana; Šodan, Slavko: Analiza sigurnosti i uspješnosti poslovanja obrtnika „dohodaša" Računovodstvo, revizija i financije, (2018), 3, 246-254 Gibson, C.H.: Financial Reporting & Analysis Using Financial Accounting Information, 12th edition, Cengage Learning, 2011 Palepu, K., Healy, P., Bernard, V., Peek, E.: *Business Analysis and Valuation: Using financial statements, Text and Cases, IFRS Edition, Thomson,* 2010. 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. Database: Bureau van Dijk - Amadeus

Quality assurance methods that ensure the acquisition of exit competences	Students' feedback via questionnaires. The evaluation by the head of the study programme and the vice-dean of education. External evaluation is conducted by independent external experts.
Other (as the proposer wishes to add)	