

**Fisher Graduate School of International Business
Monterey Institute of International Studies
Winter/Im/Spring 2007**

Course: IM 627 - Financial Statement Analysis (Preliminary Syllabus – Subject to Change)

Class Meetings: Jan 2 (Tue) to Jan 6 (Sat)

9am - 6pm in Room MG 102 (1 hour break for lunch: 12noon – 1pm)

Jan 12 (Fri)

12 noon-5pm in Room MG 102

Professor: Canri Chan, Ph.D, CPA (Colorado)
Office: Building MG, Room 300E
Office Hrs: By appointment
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Syllabus Policy: The attached syllabus is analogous to a contract, albeit unilateral, between the instructor and the students. There will be NO changes except as provided by The Monterey Institute of International Studies & The Fisher Graduate School of International Business policies. Please do not ask for changes to the syllabus.

Required Text: Gibson, H. G. *Financial Reporting Analysis: Using Financial Accounting Information*. 10th Ed. Thomson South-Western. ISBN# 0-324-30445-5

Required Additional Readings (on reserve at the library):

- 1) Henry D. 2004. Fuzzy Numbers: Despite the Reforms, Corporate Profits can be as Distorted and Confusing as Ever. Here’s How the Game is Played. *Business Week*, Oct.: 79-88.
- 2) Cassidy J. 2002. The World of Business: The Greed Cycle – How the Financial System Encouraged Corporations to Go Crazy. *The New Yorker*, Sept: 64-77.

Course Description and Objectives: This course teaches financial and managerial accounting concepts from a management perspective. It is designed to be useful particularly for those who aspire to be managers, management consultants, financial specialists (e.g., controller, financial analyst, auditor), or human resource specialists (e.g., personnel director, compensation consultant). The course highlights the reporting differences among industries, including manufacturing, retailing, and service firms, and regulated and non-regulated firms. Statements of actual companies, with an emphasis on international companies, are used in illustrations and cases. The actual financial statements highlight current financial reporting problems, including comprehensive income, segment reporting, options, post-retirement benefits, and the harmonization of international standards.

Examination and Grading: Your grade in the course will be determined by your performance over several activities. The weight given to each is as follows:

	<u>%</u>	<u>Points</u>
Individual Term Project (Written Case Study)	30.0	150
Class Participation/Professional Discretion ¹	30.0	150
Final Exam	<u>40.0</u>	<u>200</u>
Total	100.0	500

¹Includes case presentations, positive contributions in class, attendance, and punctuality.

Your grade will be determined solely based on your performance on the exam and activities indicated. There will be NO extra credit. The only marks that can be earned are noted above. Class Participation/Professional Discretion and the term project will be discussed the first day of class.

Each exam may contain a variety of question types to include multiple choice, other objective format, essay, and/or problem questions. The final exam will be comprehensive. Makeup exams will NOT be given. Only excuses allowed by The Monterey Institute of International Studies & The Fisher Graduate School of International Business policies will be allowed. See the General Catalog for the appropriate policies. The final exam and the term project are required for course completion.

Instructional Methodology & Student Preparation: The class will consist of lectures and interactive discussions. You are to prepare for class in accordance with the following schedule. Preparation includes (1) reading the material, (2) solving the assigned exercises and problems, and (3) identifying questions that you need answered. Also, students may be asked to present cases in class. While attendance and homework assignments will not be graded per se, they may factor into the Class Participation/Professional Discretion noted in the Evaluation & Grading section.

Course Schedule

<u>Lect</u>	<u>Date</u> <u>Day</u>	<u>Chapter</u>	<u>Assignment</u>	<u>Presenting Groups</u>	<u>Critique Groups</u>
1	01/2 Tue Morning (9am-12noon)	Introduction	Syllabus; Group Organization; etc.		
	Afternoon (1pm-4pm)	Chapter 1	^a Q 1-3,4,7,12,16,22,24; ^b P 1-1,2,3,4; ^c C 1-3,4 (Introduction to Financial Reporting)	A & C	B & D
	Afternoon (4pm-6pm)	Chapter 2	Q 2-1,2,9,13,21,23,26,29,37; P 2-5,6,7,8 (Intro to Financial Statements & Other Reporting Topics)		
2	01/3 Wed Morning (9am-12noon)	Chapter 2	Case Presentations (C 2-2,6) (Intro to Financial Statements & Other Reporting Topics)	D & B	A & C
		Chapter 3	Q 3- 2,3,5,8,11,14,15,23,27,35; P 3-3,6,8,10,11 (Review of Balance Sheet)		
	Afternoon (1pm-2:30pm)	Chapter 3	Case Presentations (C3-5,6) (Review of Balance Sheet)	A & B	C & D
	(2:30pm-6pm)	Chapter 4	Q 4-1,4,6,8,9,14,18; P 4-3,8,9,11,15; C 4-1,3 (Review of Income Statement)	C & D	B & A
3	01/4 Thur Morning (9am-12noon)	Chapter 5	Q 5-1,2,4,5,6,12,17,19,20,25; P 5-1,4,5 (Basics of Analysis) [Instead of cases, prepare P5-2 [Group C]; P5-3(a&c) [Group A]; P5-3(b&c) [Group D]; P5-6 [Group B]		Presentations only; No Critique

	Afternoon (1pm-4pm)	Chapter 6	Q 6-1,3,4,8,12,13,17,18,22,25, Q 31,32,41; P 6-2,6,10,12,21,22,23,24; C 6-4,6 (Liquidity/Short-Term Debt Paying Ability)	B & D	C & A
	Afternoon (4pm-6pm)	Chapter 7	Q 7-1,2,5,11,19,22,26,27,31; P 7-2,4,5,7 (Long-Term Debt Paying Ability)		
4	01/5 Fri Morning (9am-12noon)	Chapter 7	Case Presentations (C 7-5,8) (Long-Term Debt Paying Ability)	C & A	D & B
		Chapter 8	Q 8-1,3,6,7,9,10,11,15; P 8-3,5,7,11 (Profitability Measures)		
	Afternoon (1pm-2:30pm)	Chapter 8	Case Presentations (C 8-3,4) (Profitability Measures)	D & C	A & B
	Afternoon (2:30pm-6pm)	Chapter 9	Q 9-4,5,8,9,11,15; P 9-1,2,4,8,10; C 9-1,4 (Investor Focused Analysis)	A & C	B & D
5	01/6 Sat Morning (9am-12noon)	Chapter 10	Q 10-1,6,9,10,15,19; P 10-1,2,4,8,11; C 10-5,7 (Cash Flows)	A & B	D & C
	Afternoon (1pm-6pm)	Chapter 11	Q 11-2,4,6,9,13,16,21; P 11-1,2,5,9,10,15,16; C 11-1:a,b,f&g; C11-1:c,d,e (Expanded Analysis Issues)	D & B	C & A

Review

6	01/12 Fri (12pm-5pm)	Final Exam Comprehensive Term Project Due by 12pm on Jan 12th			
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^a Q denotes Question

^b P denotes Problem

^c C denotes Case