



COURSE UNIT (MODULE) DESCRIPTION

Course unit (module) title	Code
Financial Reporting and Analysis	

Lecturer(s)	Department(s) where the course unit (module) is delivered
Coordinator: assoc. prof. Algimantas Laurinavičius, PhD Other(s): assoc. prof. Antanas Laurinavičius, PhD	Department of Finance, Faculty of Economics and Business Administration

Study cycle	Type of the course unit (module)
Master	Mandatory

Mode of delivery	Period when the course unit (module) is delivered	Language(s) of instruction
Lectures and seminars	Autumn	English

Requirements for students	
Prerequisites: Financial Accounting	Additional requirements (if any):

Course (module) volume in credits	Total student's workload	Contact hours	Self-study hours
5 (ECTS)	130	32	98

Purpose of the course unit (module): programme competences to be developed
The main purpose of the course unit is to teach how to use financial reports, combined with other information, to evaluate the past, current, and potential performance and financial position of a company in order to form expectations about a company's future performance and financial position for the purpose of making investment, credit, and other economic decisions.

Learning outcomes of the course unit (module)	Teaching and learning methods	Assessment methods
Classify various financial statement elements (assets, liabilities, equity, revenue, and expenses).	Lectures – to provide with foundation knowledge and a framework for study.	Test (10 point scale), exam (10 point scale).
Be familiar with the IFRS framework, and also identify key differences between IFRS and US GAAP.	Seminars – to engage in discussion with teacher, to encourage deeper learning, to test understanding and ability to develop and to apply ideas.	
Calculate depreciation, COGS, inventory under different cost flow assumptions.		
Understand various balance sheet accounts, how they are valued, and what they represent.		
Calculate financial ratios and make inferences through the ratios.		
Construct a cash flow statement, by either the direct or indirect method.		
Distinguish between operating, investing, and financing cash flows.		
Apply various tools and techniques used in financial analysis.		
Use DuPont formulas to decompose ROE into its components to interpret a firm's profit drivers.		

Distinguish between the different cost flow methods: LIFO, FIFO, and weighted average cost.		
Calculate COGS, ending inventory, and gross profit under the different cost flow methods.		
Distinguish between capitalisation and immediate expensing of various costs.		
Determine if an asset is impaired, and the methods to revalue an asset.		
Distinguish between taxes payable and income tax expense.		
Understand the circumstances that lead to deferred taxes, calculate and make adjustments to deferred taxes.		
Calculate the book value of a bond and the interest expense using the effective interest rate method.		
Distinguish between operating lease and finance lease.		
Understand how accounting methods and estimates can affect reported earnings, financial position, and classification of cash flows.		
Be aware of warning signs of earnings manipulation.		
Apply analytic methods to forecast future earnings and cash flows.		
Understand the common types of adjustments to financial statements for comparability purposes.		

Content: breakdown of the topics	Contact hours							Self-study work: time and assignments		
	Lectures	Tutorials	Seminars	Exercises	Laboratory work	Internship/work placement	E-learning	Contact hours	Self-study hours	Assignments
1. Financial Statement Analysis: An Introduction	1		1					2	6	Reading of scientific literature; solving topic's problems
2. Financial Reporting Mechanics	1		1					2	6	Reading of scientific literature; solving topic's problems
3. Financial Reporting Standards	2		2					4	8	Reading of scientific literature; solving topic's problems
4. Understanding Income Statements	2		2					4	13	Reading of scientific literature; solving topic's problems
5. Understanding Balance Sheets	2		2					4	13	Reading of scientific literature; solving topic's problems
6. Understanding Cash Flow Statements	2		2					4	13	Reading of scientific literature; solving topic's problems
7. Inventories	2		2					4	13	Reading of scientific literature; solving topic's problems
8. Long-lived Assets	2		2					4	13	Reading of scientific literature; solving topic's problems
9. Non-current (Long-term) Liabilities	2		2					4	13	Reading of scientific literature; solving topic's problems
Total	16		16					32	98	

Assessment strategy	Weight, %	Deadline	Assessment criteria
Test. Method of examination: test (multiple choices).	50%	Middle of semestre	The test consists of around 20 multiple choice questions which are of different level of difficulty varying from knowledge test to analytical assessment. Evaluation of questions fluctuates from 1 to 2 points
Exam. Method of examination: test (multiple choices).	50%	End of semestre	The test consists of around 20 multiple choice questions which are of different level of difficulty varying from knowledge test to analytical assessment. Evaluation of questions fluctuates from 1 to 2 points

Author	Year of publication	Title	Issue of a periodical or volume of a publication	Publishing place and house or web link
Compulsory reading				
CFA Institute	2017	Financial Reporting and Analysis. CFA Program Curriculum. 2017, Level I, Volume 3. CFA Institute		CFA Institute
Optional reading				