COURSE UNIT (MODULE) DESCRIPTION

Course unit (module) title	Code
Financial and non-financial performance evaluation	**18-09-2024**

Annotation
By studying the course "Financial and Non-Financial Performance Evaluation," students will acquire theoretical and practical knowledge about the possibilities and methods of evaluating a company's activities and its results. Based on the information obtained, they will be able to understand the financial condition of a company, its operational efficiency, resource management, and potential risks. Critically assessing the obtained results, they will be able to identify potential problems and make informed decisions related to company management strategy, problem-solving, reduction, and control methods.

Academic staff	Core academic unit(s)
Coordinating: Associate Professor Martina Dal Molin **Other:**	Vilnius University, Faculty of Economics and Business Administration

Study cycle	Type of the course unit
Bachelor	Mandatory

Mode of delivery	Semester or period when it is delivered	Language of instruction
Face to face	Spring semester (6)	English language

Requisites	
Prerequisites: Fundamentals of Accounting, Financial Accounting	**Co-requisites (if relevant):**

Number of ECTS credits allocated	Student's workload (total)	Contact hours	Individual work
5	130	48	82

Purpose of the course unit: programme competences to be developed
The aim of the course is to provide students with basic concepts of financial analysis of companies and evaluation of their activities, to develop students' ability to critically assess analysis results and their significance. Competencies developed: 1.1. Will be able to communicate effectively in writing and oral form, and to convey accounting and financial knowledge to professionals and non-professionals, in line with professional ethics and citizenship. 2.2. Will demonstrate creative thinking skills, ability to make innovative decisions. 3.1. Will have the latest fundamental and applied knowledge in economics, management, finance, accounting and auditing, will know classical and modern theories in the field of accounting, will be able to apply them in interdisciplinary studies and professional sphere in accounting of national and international organizations. 4.1. Will be able to collect, process, systematize and evaluate economic, financial, statistical, accounting data and information, using the latest information search sources and applying modern methods of its processing and systematization, carry out research and present conclusions based on research results.

4.2. Will be able to analyse and evaluate various economic and social processes, organizational behaviour and environment, interpret legislation and apply it to compiling of various reports, solution of organizational management and professional problems.
5.3. Will be able to analyse, evaluate and forecast organization indicators, identify accounting and financial management problems, choosing complex technological, organizational and methodological measures, applying a systemic and global approach, as well as formulate conclusions, generalizations, proposals.

Learning outcomes of the study programme	Learning outcomes of the course unit	Teaching and learning methods	Assessment methods
1.1.	Will be able to effectively and clearly communicate analyzed and structured information.	Lecture, group discussion, literature study and analysis, case analysis.	Evaluation of tasks performed in the e-learning environment Examination
2.2.	Will demonstrate creative thinking skills, will be able to make innovative decisions.	Interactive lecture, group discussion, case analysis.	Evaluation of tasks performed in the e-learning environment Evaluation of tasks performed during midterm assessment (open and closed questions/tasks)
3.1.	Will become familiar with the concept of evaluating a company's activities, its significance, and the classification of evaluation systems. Will understand the objectives, tasks, and importance of financial analysis in the company's management system, the objects, methods, and sources of financial analysis, as well as its types. Will be able to apply acquired knowledge in practice.	Expository methods (lectures, conversations, explanations, etc.), problem-based learning, practical - operational methods, independent completion of practical tasks, literature reading, concept maps.	Evaluation of tasks performed in the e-learning environment Evaluation of tasks performed during midterm assessment (open and closed questions/tasks) Examination
4.1.	Will be able to efficiently gather, organize, and analyze financial and non-financial company information, compare national and international organizations, critically evaluate collected data, and provide suggestions.	Problem-based learning, practical-operational methods, independent completion of practical tasks, information search, literature study and analysis.	Evaluation of tasks performed in the e-learning environment Evaluation of tasks performed during midterm assessment (open and closed questions/tasks) Examination
4.2.	Will be able to critically evaluate company's operational processes and sustainability. Will learn to apply company's performance evaluation systems, interpret and evaluate the obtained results.	Expository methods (lectures, conversations, explanations, etc.), problem-based learning, practical-operational methods, independent completion of practical tasks, literature reading, concept mapping.	Evaluation of tasks performed in the e-learning environment Examination

5.3.	Having familiarized with various methods of company performance evaluation, will be able to calculate and analyze company's profitability, paying ability, capital structure, forecast the continuity of company's operations, and determine the company's value	Expository methods (lectures, conversations, explanations, etc.), problem-based learning, practical-operational methods, independent completion of practical tasks, literature reading, concept mapping.	Evaluation of tasks performed in the e-learning environment Evaluation of tasks performed during midterm assessment (open and closed questions/tasks) Examination

Content	**Contact hours**						**Individual work: time and assignments**	
	Lectures	Tutorials	Seminars	Workshops	Internship	**Contact hours,**	**Individual work**	**Tasks for individual work**
1. **Concept and significance of financial analysis of companies**. Concept, objectives, principles, and object of financial analysis of companies. Significance of financial analysis of companies, information users, and areas of application. Evaluation of the reliability of financial analysis information and its results, analysis risk. Financial analyst, functions, and importance.	2					**2**	**4**	Independent study of literature. Task solving.
2. **Sources of financial analysis of companies, research methods, and types of analysis**. Financial sources and their classification. Diversity and classification of research methods in financial analysis. Ensuring comparability of analysis information. Horizontal, vertical, and benchmarking analysis.	4		4			**8**	**10**	Independent study of literature.
3. **Financial ratios**. Object, types, calculation methodology, and importance of financial ratios. Absolute and relative financial ratios: their classification, evaluation, and provided benefits.	2					**2**	**6**	Independent study of literature. Task solving.
4. **Stages of analysis**. Preparation for analysis and development of a plan. Information gathering and analysis. Identification and evaluation of branches of economic characteristics and competitive dynamics. Interpretation, formalization, and control of results. Analysis of company's performance and financial condition.	4		2			**6**	**8**	Independent study of literature. Task solving.
Intermediate assessment on topics 1-4.	2					**2**	**6**	Material review

5. **Assessment of company's profitability**. Profitability indicators and their classification. Evaluation of company's profitability and adjustment of indicators. Determination of factors influencing profitability using DuPont analysis. Reasons for earnings management. Concept and types of earnings management. Identification of earnings management.	4		4			**8**	**10**	Independent study of literature. Task solving.
6. **Company's solvency and credit risk**. Concept of company's solvency, creditworthiness, and liquidity, differences and indicators. Variety of risk types and factors. Credit risk assessment, methods, and ratings. Risk management and disclosure.	4		2			**6**	**10**	Independent study of literature. Task solving.
7. **Analysis of company's continuity of operations**. Concept of bankruptcy, reasons, and process. Variety of bankruptcy prediction models, their advantages and disadvantages.	2		2			**4**	**8**	Independent study of literature. Task solving.
8. **Firm valuation**. Concept of firm valuation and valuation objectives. Factors influencing firm's value. Methods of determining firm's value.	4		2			**6**	**12**	Independent study of literature. Task solving.
9. **Company performance evaluation systems**. Hierarchical systems, balanced scorecard system, cube systems, systems separating internal and external activities, value chain-linked systems, comparison of performance evaluation systems.	2					**2**	**8**	Independent study of literature. Task solving.
Consultations	2					**2**		
Total	**32**		**16**			**48**	**82**	

Assessment strategy	Weight %	Deadline	Assessment criteria
Evaluation of the midterm assessment.	30 % (30 points)	Througho ut the semester	The assessment consists of theoretical questions and practical tasks designed to evaluate the understanding of financial analysis concepts, evaluation of financial analysis results, classification of financial ratios, flow, and methodology knowledge. It is mandatory to pass the intermediate knowledge check to receive a positive assessment, but it is not mandatory to pass it perfectly. The intermediate knowledge check is conducted closed-book. Evaluation: **Excellent** - excellent knowledge and skills. The student has reached the level of assessment, meaning all tasks are solved without errors or inaccuracies. **Very good/good** - knowledge and skills are (very) good. There may be minor errors and inaccuracies in solving tasks. **Average** - average knowledge and skills. The student can correctly solve about 2/3 of the given tasks. **Satisfactory/weak** - knowledge and skills are minimal. The student makes significant errors. **Unsatisfactory** - knowledge and skills do not meet minimal requirements. The student fails to apply any

			theoretical knowledge in the process of solving practical tasks.
Assessment of task completion in the e-learning system	20 % (20 points)	Throughout the semester	Task completion in the e-learning system. Evaluation: **Excellent**: completes all assigned practical and self-assessment tasks on time, independently, and with excellence. **Very good/good**: completes all assigned practical and self-assessment tasks on time and independently, with few (non-essential) errors. **Average**: completes more than 2/3 of assigned tasks on time and independently, with errors and inaccuracies occurring in task solutions. **Satisfactory/weak**: solves tasks only with the help of peers, makes many (essential) errors. **Unsatisfactory**: does not complete tasks assigned by the instructor or does not complete them independently.
Exam assessment	50 % (50 points)	During the session	The exam consists of various closed and open-ended test tasks of varying difficulty. The exam aims to assess how well students have mastered the knowledge of 5-9 topics. The exam is conducted on a closed-book basis. Evaluation: **Excellent** - excellent knowledge and skills. The student has reached the assessment level, meaning all tasks are solved without errors or inaccuracies. **Very good/good** - knowledge and skills are (very) good. There may be minor errors and inaccuracies in solving tasks. **Average** - average knowledge and skills. The student can correctly solve about 2/3 of the given tasks. **Satisfactory/weak** - knowledge and skills are minimal. The student makes significant errors. **Unsatisfactory** - knowledge and skills do not meet minimal requirements. The student fails to apply any theoretical knowledge in the process of solving practical tasks.
Activity assessment	Extra 5 points	Throughout the semester	Actively participates in lectures and organized activities, completes additional assignments, engages in discussions, and participates in project peer reviews.
Final assessment	100%		The final grade consists of the sum of the midterm assessment, e-learning task completion, activity, and exam grades, rounded according to mathematical rules. Grades are summed up as follows: **Excellent**: correctly answered 95–100% of questions. **Very good**: correctly answered 85–94% of questions. **Good**: correctly answered 75–84% of questions. **Average**: correctly answered 65–74% of questions. **Satisfactory**: correctly answered 55–64% of questions. **Weak**: correctly answered 45–54% of questions. **Unsatisfactory**: Correctly answered 44% and fewer questions.

Strategy for external examination assessment	Weight %	Deadline	Assessment criteria

Exam assessment	100 %		Examination consists of various difficulty closed and open-ended test tasks. The aim of the exam is to assess how well the student has mastered the knowledge of topics 1–9. Assessment: **Excellent** – excellent knowledge and skills. The student has reached the assessment level, meaning all tasks are solved without errors or inaccuracies. **Very good/good** – knowledge and skills are (very) good. There may be minor errors and inaccuracies in solving tasks. **Average** – average knowledge and skills. The student can correctly solve about 2/3 of the given tasks. **Satisfactory/weak** – minimal knowledge and skills. The student makes essential errors. **Unsatisfactory** – unsatisfactory minimum requirements. The student fails to apply any theoretical knowledge in the practical task-solving process. The final grade consists of the exam score, rounded according to mathematical rules. Grades are summed up as follows: **Excellent**: correctly answered 95–100% of questions. **Very good**: correctly answered 85–94% of questions. **Good**: correctly answered 75–84% of questions. **Average**: correctly answered 65–74% of questions. **Satisfactory**: correctly answered 55–64% of questions. **Weak**: correctly answered 45–54% of questions. **Unsatisfactory**: Correctly answered 44% and fewer questions.

Author (s)	**Publishing year**	**Title**	**Issue of a periodical or volume of a publication**	**Publishing house or web link**
		Required reading		
Krause, Hans-Ulrich ; Arora, Dayanand	2020	Key Performance Indicators for Sustainable Management A Compendium Based on the “Balanced Scorecard Approach” (excluded chapters 2.10; 2.11)		De Gruyter ISBN 978-3-11-059808-7
F. I. Lessambo	2022	Financial Statement and Analysis and Valuation	2th edition	Palgrave macmillan
		Recommended reading		
Glavas, D.	2023	Valuation and Sustainability		Springer
Lukanima, B. K.	2023	Corporate Valuation - A Practical Approach with Case Studies		Springer