

Standard Course Outline

FIN 610 Financial Analysis and Ethics

I. General Information:

Units: 3 credits

Prerequisites: Graduate business standing.

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II. Catalog Description:

Using ratio analysis, students analyze past firm performance and make forecasts of future performance. Students study the effects of differing accounting methods on financial analysis and code of ethics and standards of professional conduct. Letter grade only (A- F).

III. Curriculum Justification:

The course addresses a number of [COB Graduate Program Learning Goals](#):

General

- ♦ **Critical Thinking:** Students will be able to demonstrate conceptual learning, critical thinking, and problem-solving skills.
 1. Students will understand the process of ethical decision making and analysis of ethical issues. Students will be introduced to forward-looking topics and reflect on social impact of decision making, i.e., the relation of companies' stock returns to their corporate governance and accounting practices and socially responsible behavior.
 2. Students will analyze tools and techniques used in financial analysis, including their uses and limitations.
 3. Students will classify, calculate, and interpret activity, liquidity, solvency, profitability, and valuation ratios
 4. Students will describe how ratio analysis and other techniques can be used to model and forecast earnings.
- ♦ **Ethics:** Students will be able to demonstrate awareness and knowledge of ethical, social responsibility, and citizenship issues in the local, regional, and world communities.
 1. Students will demonstrate the application of the code of ethics and standards of professional conduct to situations involving issues of integrity.
 2. Students will distinguish between conduct that conforms to the code and standards and conduct that violates the code and standards, aware of social impact.
- ♦ **Interpersonal, Leadership & Team Skills:** Students will be able to demonstrate interpersonal and leadership skills for working in a dynamic and diverse world, both independently and in a team environment.
 1. Student will generate team/group decision-making through managing interpersonal conflict, negotiating and integrating and their skills with others to produce financial management decisions and deliver oral presentations
 2. Students will demonstrate that they understand the common errors in team/group decision making and will be able to correct them as a team.

Management Specific

- ♦ **Business Functions:** Students will be able to demonstrate understanding of all business functions, practices and related theories and be able to integrate this functional knowledge in order to address business problems.
 1. Students will demonstrate that they can evaluate a company's past financial performance and explain how a company's strategy is reflected in past financial performance. Students will be introduced to forward-looking topics related to regulatory changes and technology, such as high frequency trading.
 2. Student will demonstrate that they can forecast a company's future net income and cash flow;
 3. Students will explain appropriate analyst adjustments to a company's financial statements to facilitate comparison with another company.
- ♦ **Quantitative & Technical Skills:** Students will possess quantitative and technological skills enabling them to analyze, interpret, and communicate business data effectively and to improve business performance.
 - Students will possess quantitative and technological skills enabling them to improve financial analysis and ethical decision making. Students will demonstrate that they can make decisions based on quantitative analysis using the principles, concepts, and techniques through their performance on exams, assignments, and cases.
- ♦ **Domestic & Global Environment:** Students will be able to demonstrate knowledge of today's dynamic business environment (e.g., legal, regulatory, political, cultural, and economic), especially the links between our region and global business.
 - Students will demonstrate that they can make investment decisions in today's domestic and global marketing environment (e.g. legal, regulatory, political, cultural and economic environmental factors).

IV. Course Objectives, Student Learning Outcomes, Evaluation Instruments, and Instructional Strategies for Skill Development

OBJECTIVE - Critical Thinking:

A. MEASURABLE STUDENT LEARNING OUTCOME(S):

After taking this course, students will be able to (a) discuss best practices according to Certified Financial Analyst standards, (b) show that an analysis of historical financial performance and long-term financial planning can improve business decisions and value, (c) discuss regulatory decisions following malpractice in forward-looking topics such as high frequency trading or securities offerings, understanding social impact.

B. EVALUATION INSTRUMENTS (ASSIGNMENTS):

Specific assignments will vary by instructor, but typical assignments include multiple choice and problem-oriented exams and quizzes, short answer and essay exams, and in-class problem-solving assignments.

C. INSTRUCTIONAL STRATEGIES FOR SKILL DEVELOPMENT:

Instructors will review the key knowledge before the assignments and provide feedback on the assignments.

OBJECTIVE - Business Functions:**A. MEASURABLE STUDENT LEARNING OUTCOME(S):**

After taking this course, students will be able to (a) engage in ethics discussions and regulations related to high frequency trading, securities offerings, consumer and whistleblower protection, and climate financial markets and securities, among others; (b) apply best practices according to Certified Financial Analyst standards, (c) analyze and discuss firm value measures towards firm and investor strategy

B. EVALUATION INSTRUMENTS (ASSIGNMENTS):

Specific assignments will vary by instructor, but typical assignments include individual written assignments, and excel valuation group case assignment and valuation project (e.g. a simple regression to calculate beta using excel).

C. INSTRUCTIONAL STRATEGIES FOR SKILL DEVELOPMENT:

Instructors will explain rubrics for writing expectations both before and after the valuation project, reviewing components of examples of well-written reports, incorporating feedback on reports with opportunities for revision.

OBJECTIVE - Quantitative and Technical Skills:**A. MEASURABLE STUDENT LEARNING OUTCOME(S):**

After taking this course, students will be able to (a) apply quantitative techniques to firm value in order to inform managerial and investor decisions, (b) show working knowledge of Excel, Compustat and CRSP.

B. EVALUATION INSTRUMENTS (ASSIGNMENTS):

Specific assignments will vary by instructor, but typical assignments include excel group case assignment and valuation project.

C. INSTRUCTIONAL STRATEGIES FOR SKILL DEVELOPMENT:

Instructors will explain rubrics for writing expectations both before and after the valuation project, reviewing components of examples of well-written reports, incorporating feedback on reports with opportunities for revision.

V. Outline of Subject Matter**SUGGESTED COURSE SCHEDULE / TOPICS TO BE COVERED**

1. Financial Statement Analysis: Introduction
 - Scope of Financial Statement Analysis
 - Major Financial Statements and Other Information Sources
 - Financial Statement Analysis Framework
2. Financial Reporting Mechanics
 - Classifications of Business Activities Accounts and Financial Statements
 - The Accounting Process
 - Accruals and Valuation Adjustments
3. Financial Reporting Standards
 - Standard-Setting Bodies and Regulatory Authorities
 - The IFRS Framework
 - Effective Financial Reporting
 - Comparison of IFRS and Other Alternatives

4. Financial Reporting and Analysis
 - Understanding Income Statements
 - Understanding Balance Sheets
 - Understanding Cash Flow Statements
 - Financial Analysis Techniques
 - The Tools: Ratio Analysis, Common- Size Analysis, and Graphs
 - Common Ratios in Analysis Equity Analysis
5. Group Case Presentation
 - Company Analysis
 - Applying Financial Reporting and Analysis
 - Financial Analysis Techniques
6. Income Taxes
 - Accounting Profits and Taxable Income
 - Tax Base of Assets and Liabilities
 - Current and Deferred Tax
 - Comparison of IFRS and US GAAP
7. Financial Reporting Quality and Forecasting
8. Income Taxes and Employee Compensation

VI. Methods of Instruction

INSTRUCTION MODE

Check one or more modes of instruction that this course is authorized to use. Syllabi must also contain an explicit statement describing the mode of instructional delivery.

May refer to university policies on [Academic Technology and the Mode of Instruction](#) and [Course Syllabi and Standard Course Outlines](#) for descriptions of modes of instruction and for guidelines for non-traditional modes of instruction.

This class can be offered as an online, hybrid, or flipped class, with the approval of the department chair.

✓ Traditional ✓ Hybrid ✓ Local Online ✓ Distance Education

CLASSROOM ACTIVITIES

The course utilizes a combination of lectures, case discussions and analyses, numerical exercises, independent reading, and online sessions. The cases used in the course will provide an opportunity to integrate the abstract tools learned and apply them in a practical context.

When reading the book in preparation for class it is essential for the students take an active approach. The best-prepared student is often the one who comes to class with questions about how the concepts and methods can be applied. Finally, students should expect to allocate adequate time after class to review the course materials in order to refine and consolidate their knowledge.

EXTENT AND NATURE OF TECHNOLOGY USE

Instructors will require students to use Compustat, CRSP and Excel for data retrieval and data processing tool as part of instruction.

If the course is conducted entirely through Alternative Modes of Instruction, both synchronous and asynchronous learning will be incorporated. Students will access the course material and activities on BeachBoard and will be required to participate in synchronous class meetings via Zoom. All



students must have access to a computer or other device with Internet functionality and a webcam to access BeachBoard and Zoom, participate in class activities, and complete assignments. Students must also have access to Internet with sufficient speed in order to be able to participate in synchronous meetings.

Students who experience unexpected technical issues for a class session or assignment will be provided with the opportunity to make up missed work. Students who experience technical issues during a synchronous meeting or with an assignment should notify the instructor via email as soon as possible.

To access this course on [BeachBoard](#) and [Zoom](#), students will need access to the Internet and a supported web browser (Safari, Google Chrome or Firefox). Log in to [BeachBoard](#) with your CSULB Campus ID and BeachID password. Once logged in, you will see the course listed in the My Courses widget; click on the title to access the course. To access Zoom, first [install the latest version](#) of the Zoom app on your device. Use the link provided and/or sign in using your CSULB Campus ID and BeachID password via Single Sign On to create or join a Zoom session. If students need technical assistance during the course or would like to report a technical issue with BeachBoard or Zoom, they should contact the [Technology Help Desk](#).

The university is expected to provide an in-person computer lab in the University Student Union during 2020-21 and the opportunity to borrow laptops and/or wi-fi hotspots, if needed. For laptops, call 562-985-5587, Mo-Fri, 8 am – 5 pm. Click here to access [A map of campus wi-fi coverage](#).

If you need technical assistance at any time during the course or need to report a problem with BeachBoard or Zoom, please contact the Technology Help Desk at helpdesk@csulb.edu or (562) 985-4959.

VII. Information about Textbooks/Readings

Financial Reporting and Analysis: Using Financial Accounting Information by Charles Gibson, South-Western Cengage Learning.

Financial Reporting and Analysis by Revsine, Collins, Johnson and Mittelstaedt, McGraw Hill Irvin.

Certified Financial Analyst (CFA) materials

VIII. Instructional Policies Requirements

Instructor's syllabi must contain explicit statements regarding their own policies with regard to plagiarism, withdrawal, absences, etc., which should be consistent with the university policies published in the CSULB Catalog. It is expected that every course will follow university policies on [Attendance](#), [Course Syllabi & Standard Course Outlines](#), and [Final Course Grades, Grading Procedures, and Final Assessments](#). If some or all sections of the course are to be taught, in part or entirely, by distance learning, the course must follow the provisions of university policy on [Academic Technology and the Mode of Instruction](#). Instructors should refer to the current [CSULB Catalog](#) and to the [Academic Senate](#) website for campus guidelines and policy statements as they develop their individual course policies.

Lecturing on theories & concepts of finance and applications to investments. Quantitative techniques and problem solving. Managing an investment portfolio, presentation & discussion (group project). Individual hedging strategy using derivative securities.

Instructors in planning the exams, and other grading procedures, should adhere to the relevant [University Policy on Grades, Grading Procedures, and Final Assessments](#).



The textbooks for this course should be chosen in accordance with the university policy on [Selection of Instructional Materials](#). There are many appropriate textbooks for this course; it is generally agreed that none of them is perfect. The following suggestion is based on the special nature of this core MBA course:

- ♦ Students will arrive at this course with extraordinary range of backgrounds; and therefore prior knowledge will be highly variable, however,
- ♦ Students will have a level of maturity that will enable them to look at a broader picture via more advanced cases, simulations, group projects and
- ♦ Examinations must be essay-type and/or problem solving questions and avoid the use of multiple-choice questions.

IX. Course Assessment and Grading

Grading policies, procedures, and the percentage of the course grade associated with each assessment must be explicit on each instructor’s syllabus and must be consistent with University policy on “Final Course Grades, Grading Procedures, and Final Assessments.” Instructors must develop scoring guidelines for assessments, which must be made available to students. The final course grade will be based on a descriptive scale such as the following:

Percent	Grade	Grade Description
90-100%	A	Mastery of the relevant course standards.
80-89%	B	Above average proficiency of the relevant course standards.
70-79%	C	Satisfactory proficiency of the relevant course standards.
60-69%	D	Partial proficiency of the relevant course standards.
Below 60%	F	Little or no proficiency of the relevant course standards.

X. Disabilities

The SCO and syllabi should contain a statement regarding support services for students with disabilities. Under the Office of Civil Rights and the Americans with Disability Act, students may disclose **at any time** during the academic semester that they need a classroom accommodation based on a disability. Thus, it is strongly recommended that all SCOs and syllabi use the following language, as it meets both federal and state legal standards.

D. The Bob Murphy Access Center (BMAC)

The Bob Murphy Access Center (BMAC) provides certification for students with disabilities and helps arrange relevant accommodations: [Bob Murphy Access Center](#). Any student requesting academic accommodations based on a disability is strongly encouraged to register with Disabled Student Services (BMAC) each semester. A letter of verification for approved accommodations can be obtained from BMAC. Please be sure to provide your instructor with BMAC verification of accommodations as early in the semester as possible. The phone number for BMAC is (562) 985 5401. The email address is: bmac@csulb.edu.

XI. Assistive Technology

In compliance with university policy on [Accessibility and Faculty Responsibility for the Selection of Instructional Materials](#), instructors are responsible for ensuring that their syllabi and instructional materials are accessible to all students.



XII. Sexual Assault, Rape, Dating/Domestic Violence, & Stalking

Title IX prohibits gender discrimination, including sexual harassment and sexual misconduct. If you have experienced sexual harassment, sexual assault, rape, dating/domestic violence, or stalking, the campus confidential Victim's Advocate is available to help. Jaqueline Urtez (e: advocate@csulb.edu, p: (562) 985-2668) can provide free and confidential support, accommodations, and referrals for victims without having to report the assault to campus authorities. While students are welcome to discuss assaults with faculty, both faculty and teaching assistants are mandatory reporters who are required to report all incidents of sexual harassment/misconduct to the Title IX office for follow-up and possible investigation. Students who do wish to report the assault for possible investigation may contact the confidential victim's advocate, who can help them through the reporting process, or they can report the assault directly to the [Title IX Office](#) by completing an online reporting form or contacting the Office of Equity & Diversity at OED@csulb.edu.

XIII. Consistency of SCO Standards across Sections

All future syllabi will conform to the SCO. The course coordinator should review the SCO and offer advice and/or materials to faculty member new to teaching the course. The course coordinator may offer or require regular review of instructors' course materials as well as anonymous samples of student work.

XIV. [Additional Resources for Development of Syllabi](#)