

Certificate Course
on
Advanced Financial Statements Analysis

Course Learning Objectives

The objectives of this certificate course are given below:

- ✓ Understanding the business and the financial statements;
- ✓ Analyze and interpret the financial statements and related report from the viewpoint of investors, creditors and management;
- ✓ Understanding the Relations among Net Income, Balance Sheets, and Cash Flows and operating, investing and financing activities;
- ✓ Identifying the profitability and risk analysis of the business;
- ✓ Understanding the accounting quality and practical aspect of possible areas of manipulation;
- ✓ Understanding the regulatory requirement including the code of corporate governance, listing requirement and practical analysis of a firm.

Content of Financial Statement Analysis

Class No.	Topic	Discussion Points	Remarks
01	Understanding the business and introduction to financial statements	<ul style="list-style-type: none"> ▪ Understanding the business and Analysis of Business; ▪ Statement of Financial Position / Balance Sheet; ▪ Statement of Financial Performance /Income Statement; ▪ Statement of Cash flow; ▪ Statement of owner's equity; ▪ Notes and Disclosure. 	
02	Basics of Financial Statement Analysis	<ul style="list-style-type: none"> ▪ Need for Comparative Analysis; ▪ Horizontal Analysis, Vertical Analysis and Ratio Analysis; ▪ Earning Power and Irregular Items; ▪ Potential problems and Limitation of Financial Statement Analysis. 	Practical Examples/ Case Studies
03	Income Flows vs. Cash Flows	<ul style="list-style-type: none"> ▪ Understanding the Relations among Net Income, Balance Sheets, and Cash Flows; ▪ The Relations among the Cash Flow Activities; ▪ Cash Flow Activities and a Firm's Life Cycle; ▪ Usefulness of the Statement of Cash Flows for Accounting and Risk Analysis. 	Practical Examples/ Case Studies
04	Operating, investing and financing Activities	<ul style="list-style-type: none"> ▪ Operating Activities; ▪ Investing Activities; ▪ Financing Activities. 	Practical Examples/ Case Studies
05	Accounting Quality	<ul style="list-style-type: none"> ▪ Accounting Quality; ▪ Earnings Management; ▪ Accounting Quality in asset and liability recognition and measurement; ▪ Specific Events and Conditions That Affect Earnings Persistence; ▪ Tools in the Assessment of Accounting Quality. 	Practical Examples/ Case Studies

Class No.	Topic	Discussion Points	Remarks
06	Practical aspect of possible areas of manipulation	<ul style="list-style-type: none"> ▪ Five Questions About Accounting Quality; ▪ How Specific Balance Sheet Items are Managed to Increase Income; ▪ Accounting Areas where Manipulation is More Likely; ▪ Institutional Situations where Manipulation is More Likely; ▪ Financial Statement Indicators that Manipulation is More Likely; ▪ Frustrations with Disclosure Quality. 	Practical Examples/ Case Studies
07	Profitability Analysis	<ul style="list-style-type: none"> ▪ Overview of Profitability Analysis Based on Various Measures of Income; ▪ Disaggregation of ROA and ROCE; ▪ Economic and Strategic Factors in the Interpretation of ROA and ROCE; ▪ Comparisons with Earlier Periods and Other Firms. 	Practical Examples/ Case Studies
08	Risk Analysis	<ul style="list-style-type: none"> ▪ Disclosures Regarding Risk and Risk Management; ▪ Analyzing Financial Flexibility by Disaggregating ROCE; ▪ Analyzing Short-Term Liquidity Risk; ▪ Analyzing Long-Term Solvency Risk; ▪ Analyzing Bankruptcy Risk; ▪ Analyzing Systematic Risk; ▪ Analyzing Credit Risk and Credit Rating/Scoring; ▪ Measure the bankruptcy/distress status. 	Practical Examples/ Case Studies
09	Regulatory Requirement & Practical Application of regulatory requirement of publicly traded firms	<ul style="list-style-type: none"> ▪ Code of Corporate Governance; ▪ Listing requirement; ▪ Other regulatory requirement of BSEC; ▪ Practical Application of regulatory requirement of publicly traded firms. 	Practical Examples/ Case Studies
10	Project Analysis	Presentation and Discussion of the financial statement analysis of the publicly traded firm	