

Course Purpose

The course will assist the learner to analyze financial statements as a basis for extracting information for business decision making, especially in investments.

Learning Outcomes

By the end of the course, the learner should:

- i. Identify the various sources of information for the analysis of a business.
- ii. Analyze a business using the financial statement analysis tools and make decisions.

Course Content

1. Introduction to financial statements analysis.
2. Financial statements.
3. Using Financial Statement Information; why evaluate financial statements? Internal uses, external uses, choosing a benchmark, problems with financial statements analysis.
4. Cash flows and taxes.
5. Standardized Financial Statements.
 - Vertical analysis
 - Horizontal analysis/ Base year analysis
 - Combined vertical and horizontal analysis.
6. Ratio Analysis & the Du Point Identity.
7. Earnings analysis.
8. Cash flow analysis.
9. Time trend analysis & peer group analysis.

Teaching Methodology

- Lectures and discussions
- Case studies.
- Class discussions and presentations

Instructional Materials and Equipment

Computers/internet services, journals, newspapers, chalk/pens and white boards.

Course Assessment

Continuous Assessment Tests	15%
Classroom assignments	15%
End of semester examinations	70%
TOTAL	100%

REFERENCES

- Fridson, M., & Alvarez, F. (2002). *Financial Statement Analysis: A Practitioners Guide*. Hoboken, New Jersey: John Wiley & Sons, Inc.
- Robinson, T., & Henry, E. (2009). *International Financial Statements Analysis*. Hoboken, New Jersey: John Wiley & Sons, Inc.