



Undergraduate Course Syllabus

ACC 345: Financial Statement Analysis and Business Valuation

Center: Online

Course Prerequisites

ACC 307 or ACC 317

Course Description

In this course, students will explore the theories, tools, and techniques used to perform fundamental valuations of publicly traded companies. Students will investigate a corporation's prospects through the analysis of financial documentation. Students will learn how to dissect SEC filings and other financial sources to evaluate organizational health and support business decision making. Students will practice communication skills as they present their analysis to stakeholders to support business decisions.

Course Outcomes

- Analyze financial statements to determine the financial health of a company
- Perform a valuation calculation of a company to address the needs of various audiences and purposes
- Perform an economic and industry analysis to project a company's future performance

Required Materials

Using your learning resources is critical to your success in this course. Please purchase directly through the [SNHU Online Bookstore](#) rather than any other vendor. Purchasing directly from the bookstore ensures that you will obtain the correct materials and that the IT Service Desk, your advisor, and the instructor can provide you with support if you have problems.

Financial Reporting, Financial Statement Analysis, and Valuation (with Cengage MindTap access code)

James M. Wahlen, Stephen P. Baginski, and Mark Bradshaw

Cengage Learning

Ninth Edition

2017

SKU #: 2147082

Harvard Business Review

The following material is available in the Harvard Business Review area of your course:

- New Constructs: Disrupting Fundamental Analysis with Robo-Analysts (2018, February). *Harvard Business Publishing Education*.

Diversity, Equity, and Inclusion

As indicated in our core values, SNHU is committed to “embrace diversity where we encourage and respect diverse identities, ideas, and perspectives by honoring difference, amplifying belonging, engaging civilly, and breaking down barriers to bring our mission to life.”

This may or will be reflected in SNHU’s curriculum as we embrace and practice diversity, equity, and inclusion (DEI) to provide the most transformative experience for our students, faculty, and staff. Because topics pertaining to DEI can be sensitive, please remember that embodying and practicing diversity, equity, and inclusion is one of our core values that you will encounter throughout the academic experience. In higher education, we are expected to think and engage critically. Use a growth mindset to embrace the diverse readings, course assignments, and experiences of your peers and faculty.

For more information about DEI at SNHU, please visit our website at the [Office of Diversity and Inclusion](#).

Instructor Availability and Response Time

Your class interaction with the instructor and your classmates will take place on a regular, ongoing basis. Your instructor will be actively engaged within the course throughout the week. You will normally communicate with your instructor in the weekly discussions or the General Questions discussion topic so that your questions and the instructor’s answers benefit the entire class. You should feel free, however, to communicate with your instructor via SNHU email at any time, particularly when you want to discuss something of a personal or sensitive nature. Your instructor will generally provide a response within 24 hours. Instructors will post grades and feedback (as applicable) within seven days of an assignment’s due date, or within seven days of a late submission.

Grade Distribution

Assignment Category	Number of Graded Items	Point Value per Item	Total Points
Homework	2	50	100
Quizzes	2	50	100
Discussions	5	30	150
Milestone One	1	100	100
Milestone Two	1	100	100
Milestone Three	1	100	100
Final Project	1	350	350
			Total Course Points: 1,000

This course may also contain practice activities. The purpose of these non-graded activities is to assist you in mastering the learning outcomes in the graded activity items listed above.

University Grading System: Undergraduate

Grade	Numerical Equivalent	Points
A	93–100	4
A-	90–92	3.67

Grade	Numerical Equivalent	Points
B+	87–89	3.33
B	83–86	3
B-	80–82	2.67
C+	77–79	2.33
C	73–76	2
C-	70–72	1.67
D+	67–69	1.33
D	60–66	1
F	0–59	0
I	Incomplete	
IF	Incomplete/Failure *	
IP	In Progress (past end of term)	
W	Withdrawn	

* Please refer to the [policy page](#) for information on the incomplete grade process.

Grading Guides

Specific activity directions, grading guides, posting requirements, and additional deadlines can be found in the Assignment Guidelines and Rubrics section of the course.

Weekly Assignment Schedule

All reading and assignment information can be found within each module of the course. Assignments and discussion posts during the first week of each term are due by 11:59 p.m. Eastern Time. Assignments and discussion posts for the remainder of the term are due by 11:59 p.m. of the student's local time zone.

In addition to the textbook readings that are listed, there may be additional required resources within each module.

Module	Topics and Assignments
1	<p>Overview of Financial Statement Analysis and Business Valuation</p> <p><i>Financial Reporting, Financial Statement Analysis, and Valuation</i>, Chapter 2 sections:</p> <ul style="list-style-type: none"> • Primary Valuation Alternatives: Historical Cost vs Fair Value (pp. 80–84) • Summary of US GAAP and IFRS Valuations (pp. 87–88) • Income Recognition (pp. 88–89) • Accrual Accounting (pp. 89–91) • Chapter Summary (p. 110) <p>1-1 Discussion: SSVS and Other Standards</p> <p>1-2 Final Project Review</p> <p>1-3 Final Project Milestone One: Company Background</p> <p>1-4 Homework: Chapter 2 Questions</p>

Module	Topics and Assignments
2	<p>Balance Sheet Analysis</p> <p><i>Financial Reporting, Financial Statement Analysis, and Valuation</i>, Chapter 7 sections:</p> <ul style="list-style-type: none"> • Equity Financing and Investments by Shareholders: Common Equity Issuance (pp. 428–429) • Distributions to Shareholders: Dividends (pp. 432–433) • Net Income, Retained Earnings, Accumulated Other Comprehensive Income, and Reserves (pp. 442–446) • Debt Financing and Financing with Long-Term Debt (pp. 446–447) • Leases, Operating Lease Method, and Capital Lease Method (pp. 458–460) <p>Chapter 8 sections:</p> <ul style="list-style-type: none"> • Investments in Long-Lived Operating Assets (pp. 498–505) • Cost Allocation (Depreciation/Amortization/Depletion) Method (pp. 507–508) • Primary Beneficiary of a Variable Interest Entity (pp. 546–548) • Foreign Currency Translation (pp. 549–553) <p>2-1 Discussion: Project Company Valuation</p> <p>2-2 Quiz: Chapters 2, 7, and 8</p> <p>2-3 Reviews/Reminders</p>
3	<p>Income Statement/Cash Flow Analysis</p> <p><i>Financial Reporting, Financial Statement Analysis, and Valuation</i>, Chapter 9 sections:</p> <ul style="list-style-type: none"> • Revenue Recognition (pp. 578–581) • Expense Recognition (pp. 592–601) <p>Chapter 4 sections:</p> <ul style="list-style-type: none"> • Overview of Profitability Analysis Based on Various Measures of Income (pp. 190–191) • Earnings per Share, Common Size Analysis, Percentage Change Analysis, and Alternative Definitions of Profit (pp. 192–201) • Return on Assets (pp. 203–207) • Return on Common Shareholders Equity (pp. 207–210) • Benefits and Limitations of Using Financial Statement Ratios (pp. 240–242) <p>Chapter 3 section:</p> <ul style="list-style-type: none"> • Cash Flow Activities, and a Firm's Life Cycle (pp. 128–134) <p>3-1 Final Project Milestone Two: Final Statement Analysis and Valuation Report</p>
4	<p>Industry and SWOT Analysis</p> <p><i>Financial Reporting, Financial Statement Analysis, and Valuation</i>, Chapter 1 sections:</p> <ul style="list-style-type: none"> • Identify the Industry Economic Characteristics (pp. 8–16) • Identify the Company Strategies (pp. 16–18) • Assess the Quality of the Financial Statements (pp. 18–37) • Analyze Profitability and Risk (pp. 37–43) • Role of Financial Statement Analysis in an Efficient Capital Market (pp. 44–47) • Sources of Financial Information (pp. 47–48) <p>4-1 Discussion: Industry Trends</p> <p>4-2 Homework: Chapter 2 Questions</p> <p>4-3 Reviews/Reminders</p>

Module	Topics and Assignments
5	<p>Economic Analysis and Prospective Analysis</p> <p><i>Financial Reporting, Financial Statement Analysis, and Valuation</i>, Chapter 5 sections:</p> <ul style="list-style-type: none"> • Disclosure Regarding Risk and Risk Management (pp. 278–283) • Analyzing Credit Risk (pp. 305–309) • Analyzing Bankruptcy Risk (pp. 309–310) • Measuring Systematic Risk (pp. 316–318) <p>Chapter 10 sections:</p> <ul style="list-style-type: none"> • Introduction to Forecasting (pp. 636–637) • Preparing Financial Statement Forecasts (pp. 637–640) • Shortcut Approaches to Forecasting (pp. 695–696) • Sensitivity Analysis (pp. 699–700) <p>5-1 Final Project Milestone Three: Industry and Economic Analysis</p>
6	<p>Valuation: Income and Cash Flow Based Methods</p> <p><i>Financial Reporting, Financial Statement Analysis, and Valuation</i>, Chapter 11 sections:</p> <ul style="list-style-type: none"> • The General Valuation Model (pp. 726–728) • Equivalence Among Dividends, Cash Flows, and Earnings Valuation (pp. 728–729) • Expected Rates of Return (pp. 729–740) • Dividends-Based Valuation: Rationale and Basic Concepts (p. 743) • Dividends-Based Valuation: Advanced Concepts (pp. 747–748) • The Dividends-Based Valuation Model (pp. 755–756) <p>Chapter 12 sections:</p> <ul style="list-style-type: none"> • Rationale for Cash Flow Based Valuation (pp. 773–774) • Measuring Free Cash Flows (pp. 774–776) • Cash Flow Based Valuation Models (pp. 785–787) <p>Chapter 13 sections:</p> <ul style="list-style-type: none"> • Rationale for Earnings Based Valuation (pp. 831–833) • Earnings-Based Valuation: Practical Advantages and Concerns (pp. 833–835) • Theoretical and Conceptual Foundations for Residual Income Valuation (pp. 835–836) • Residual Income Valuation with Finite Horizon Earnings Forecasts and Continuing Value Computations (pp. 842–844) • Residual Income Model Implementation Issues (pp. 850–854) • Consistency in Residual Income, Dividends, and Free Cash Flows Valuation Estimates (pp. 855–856) <p>6-1 Discussion: Valuation Method</p> <p>6-2 Quiz: Chapters 11, 12, and 13</p>

Module	Topics and Assignments
7	Valuation: Market-Based Method and Normalization Adjustments <i>Financial Reporting, Financial Statement Analysis, and Valuation</i> , Chapter 14 sections: <ul style="list-style-type: none"> • Chapter Overview (pp. 865–867) • Market Multiples of Accounting Multiples (pp. 867–869) • Market to Book and Value to Book Ratios (pp. 869–871) • Price-Earnings and Value-Earnings Ratios (pp. 881–883) • Benchmarking Relative Valuation: Using Market Multiples of Comparable Firms (pp. 886–890) 7-1 Final Project Submission: Financial Analysis and Valuation Report
8	Valuation Considerations and Reflection <i>Financial Reporting, Financial Statement Analysis, and Valuation</i> , Chapter 6 sections: <ul style="list-style-type: none"> • Accounting Quality (pp. 350–355) • Earnings Management (pp. 355–357) • Specific Events and Conditions That Affect Earnings Persistence (pp. 370–379) • Financial Reporting Worldwide (pp. 384–385) 8-1 Discussion: Reflection

Course Participation

Course participation is required within the first week of the term for all online courses. *Participation* in this context is defined as completing one graded assignment during the first week of the course. Otherwise, students will be administratively removed for nonparticipation. Students who do not participate during the first week may forfeit their rights to be reinstated into the course. Students who stop attending a course after the first week and who do not officially withdraw will receive a grade calculated based on all submitted and missed graded assignments for the course. Missed assignments will earn a grade of zero. See the [course withdrawal policy](#) and the [full attendance policy](#) for further information.

Late Assignments

Students who need extra time may submit assignments (excluding discussion board postings) up to one week after the assignment due date. Discussion board submissions will not be accepted for credit after the deadline except in extenuating circumstances.

- A penalty of 10 percent of the total value of the assignment will be applied to the grade achieved on the late assignment regardless of the day of the week on which the work is submitted.
- Students who submit assignments more than one week late will receive a grade of zero on the assignment unless they have made prior arrangements with the instructor.

Students must submit all assignments no later than 11:59 p.m. (in their own time zone) on the last day of the term. No assignments are accepted after the last day of the term unless an incomplete has been submitted. See the [incomplete grades policy](#).

There may be times an instructor makes an exception to the late assignment policy. Instructors may accept late work, including discussion board posts, with or without prior arrangement.

- Exceptions to the late policy on these grounds are left to the instructor's discretion, including whether the late penalty is applied or waived. Students should not assume that they will be allowed to submit assignments after the due dates.
- If an instructor finds that they are unable to determine whether an exception to the late policy would be appropriate without documentation, the collection and review of student documentation should be handled through the Dispute Resolution team in order to protect the student's privacy. In these cases, students should file a [Student Concern Dispute form](#) to have the circumstances reviewed.

If a student is experiencing (or knows they will experience) a circumstance, including pregnancy, that is protected under the Americans with Disabilities Act or Title IX, they are encouraged to contact the [Online Accessibility Center \(OAC\)](#) as soon as possible to explore what academic accommodations might be offered. Instructors must honor all deadlines established through the OAC.

Student Handbook

Review the [student handbook](#).

ADA/504 Compliance Statement

Southern New Hampshire University (SNHU) is dedicated to providing equal access to individuals with disabilities in accordance with Section 504 of the Rehabilitation Act of 1973 and with Title III of the Americans with Disabilities Act (ADA) of 1990, as amended by the Americans with Disabilities Act Amendments Act (ADAAA) of 2008.

SNHU prohibits unlawful discrimination on the basis of disability and takes action to prevent such discrimination by providing reasonable accommodations to eligible individuals with disabilities. The university has adopted the [ADA/504 Grievances Policy](#) (version 1.2 effective October 16, 2017), providing for prompt and equitable resolution of complaints regarding any action prohibited by Section 504 or the ADA.

For further information on accessibility support and services, visit the [Disability and Accessibility Services](#) webpage.

Academic Integrity Policy

Southern New Hampshire University requires all students to adhere to high standards of integrity in their academic work. Activities such as plagiarism and cheating are not condoned by the university. Review the [full academic integrity policy](#).

Copyright Policy

Southern New Hampshire University abides by the provisions of United States Copyright Act (Title 17 of the United States Code). Any person who infringes the copyright law is liable. Review the [full copyright policy](#).

Withdrawal Policy

Review the [full withdrawal policy](#).

Southern New Hampshire University Policies

More information about SNHU policies can be found on the [policy page](#).