

# **ACC407 Financial Statement Analysis and Valuation**

**Level:** 4

**Credit Units:** 5 Credit Units

**Language:** ENGLISH

**Presentation Pattern:** EVERY JAN

## **Synopsis:**

ACC407 Financial Statement Analysis and Valuation provides an introduction to tools and techniques used to evaluate businesses using financial statements and value various types of businesses and assets. The course aims to establish a link between these tools and techniques to applications in business, i.e. management consulting, corporate advisory, credit and loan assessment as well as mergers and acquisitions.

## **Topics:**

- Introduction to financial statement analysis
- Financial statement analysis techniques and interpretation
- Dupont analysis
- Introduction to business valuation
- Income approach to business valuation
- Market approach to business valuation
- Valuation for mergers and acquisitions
- Valuation for purchase price allocation purpose
- Valuation for impairment
- Valuation of options
- Valuation of young or start-up firms
- Valuation of distressed firms

## **Textbooks:**

ACC407 Financial Statement Analysis and Valuation John Wiley John Wiley  
ISBN-13: 9781119924470

**Learning Outcome:**

- Analyse a business using financial statements.
- Discuss the application of business valuation and the role of valuation in financial reporting.
- Compute the adjusted net asset value of a business using the asset based approach.
- Assess the key inputs to the income approach of valuation.
- Use earnings, book value, revenue and other sector-specific multiples to business valuation.
- Estimate business valuation in typical M&A transactions.
- Value tangible and intangible assets for purchase price allocation purposes.
- Apply valuation methodologies for impairment testing for financial reporting purposes.
- Develop the essential knowledge and interpersonal skills to work effectively in a team.
- Demonstrate proficiency in written and verbal communication skills.

**Assessment Strategies - Regular Semester (Daytime Class):**

<b>Components</b>	<b>Description</b>	<b>Weightage Allocation (%)</b>
Overall Continuous Assessment	GROUP BASED ASSIGNMENT 1	15
	CLASS TEST 1	20
	PARTICIPATION 1	15
Overall Examinable Components	Written Exam	50
<b>Total</b>		<b>100</b>

\*The information listed is subject to review and change.