



Financial Statement Analysis/ Using Financial Statements & Accounting Based Valuation

MGMP 602
Fall 2015
Course Website: OwlSpace
Office Hours: By Appointment/TBD

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Course Description:

This course is designed to develop skills in financial statement analysis with special emphasis on understanding, organizing, and summarizing financial data for decision-making purposes related to valuation.

The course focuses on two themes. The first is financial and accounting analysis, which consists of documenting and understanding a firm's profitability relative to past performance and comparable firms. Ratio analysis, accounting quality, and earnings management are the focal points of this portion of the course. We will also explore important accounting topics such as pensions, derivatives, and SPEs.

The second theme is focused on valuation using accounting information. We will build off the skills learned in the first part of the course to implement various methodologies for valuation. Given the nature of the subject material, this part of the course is more "hands-on."

Course Material:

- **REQUIRED:** *Financial Statement Analysis & Valuation* by Peter D. Easton, Mary Lea McAnally, Gregory A. Sommers, and Xiao-Jun Zhang.
- Additional course materials (spreadsheets with financial data and links to articles) will be placed on the course website.

- Additional references will be provided on the first day of class.

Course Grade:

Your grade will be based on the following components:

- a. **Class Participation (15%)**
- b. **Quizzes (15%):** By Monday of the week of certain classes you are required to take a timed (20-30 minute) quiz that is posted on Owlspage. The quizzes are closed-book, and they test your knowledge of the assigned reading or case material.
- c. **Case Assignments and Homework (20%):**

Logistics: The cases are to be turned in at the beginning of class on the due dates outlined in the course schedule on Owlspage. Some assignments are to be completed individually and others in groups. The assignments are designed to give you practice applying the related concepts and tools without grade-related pressure and to prepare you for class discussion and examples.

Grading: If your assignment write-up reflects careful thought and effort, you will receive full credit; if the assignment is not completed on time, or lacks thought and effort, you will receive no credit (or partial credit at my discretion).

Solutions: In-class discussions are structured to give you feedback and insight into the key issues and “solutions” for each assignment. **Graded copies of the assignment write-ups will not be returned,** so please keep an extra copy to refer to during in-class discussion.

- d. **Midterm and Final Exam (50%):** There will be a midterm and final exam in this course. For students not enrolled in the full time program, the midterm will effectively be your final exam for “Using Financial Statements.”

Honor Code

Students are required to adhere to the standards of conduct in the Jones School Honor Code. The following points provide additional information about my expectations with respect to assignments for this course.

- A student assumes full responsibility for all assignments that are submitted with his/her name attached, regardless of whether the assignment was partially or entirely completed by other group members (in the case of group assignments).
- It is a violation of the honor code if a student reviews class notes on a case discussion from another source before handing in the assignment. Furthermore, individual assignment should be completed individually. This means you should not consult with other students when completing these assignments. If you have any questions, please refer them to me. Groups should not discuss the cases with other groups before they are handed in.
- Quizzes should be completed without referencing the book or any other material. They should not be discussed with others before each class.
- Each exam has a time limit and must be completed in one sitting within that time limit. Exams are open book and notes, but you cannot consult the internet or any individual during the exam. Also, to be fair to all students, I will not answer questions once an exam has been posted to Owlspage.

Additional Information

- **Help with Your Questions:** I am accessible via e-mail and will make every effort to respond to an e-mail within 24 hours of receipt. Also, I am available for office hours by appointment.
- **Class Courtesy:** Students are expected to be in their seats with their phones turned off prior to the start of class. In addition, laptops are not to be used in class unless we are using them for a class exercise. Courtesy violations will be deducted from class participation grades.
- **Notice:** Please note that the timing of topics covered during the semester is subject to potential change. I reserve the right, at my discretion, to alter specific case assignments during the semester in an effort to maximize the quality of the course's content.
- **Disability Assistance:** Any student with a documented disability seeking academic adjustments or accommodations is requested to speak with me during the first two weeks of class. All such discussions will remain as confidential as possible. Students with disabilities will also need to contact Disability Support Services in the Allen Center.