



# The Islamia University of Bahawalpur

Department of Management Sciences

## Course Outline

Course: Financial Reporting and Analysis Program MBA 2<sup>nd</sup> (Eve)

Instructor: MubashirKhaleeq

Course Code:

Session	Topics to be Covered
Lecture 1	<b>INTRODUCTION TO FINANCIAL REPORTING</b> Development of Generally Accepted Accounting Principles (GAAP). Financial Accounting Standard Board (FASB).
Lecture 2	<b>INTRODUCTION TO FINANCIAL REPORTING</b> Accounting Cycle (General Journal, General Ledger, Trial Balance, Adjustments, Adjusting Trial Balance, Income Statement, Balance Sheet)
Lecture 3, 4, 5	<b>INTRODUCTION TO FINANCIAL STATEMENTS AND OTHER FINANCIAL REPORTING TOPICS</b> Forms of Business Entities (Sole Proprietorship, Partnership, Corporation). Introducing Financial Statements (Balance sheet, Income Statement, Cash flow statement, Statement of owner's equity).
Lectures 6, 7	<b>BALANCE SHEET &amp; INCOME STATEMENT</b> Basic Elements of Balance Sheet (Assets, Liability, Owner's equity), Accounting equation. Basic elements of income statement, different forms of income statement (Single step income statement, multistep income statement).
Lectures 8, 9, 10	<b>BASICS OF ANALYSIS, Liquidity of Short Term Assets; Related Debt Paying Ability</b> Common size analysis (vertical & horizontal), Comparisons, current assets, current liabilities and operating cycle, Current assets compared with current liabilities (Working capital, Current Ratio, Acid Test Ratio, Cash Ratio)
Lectures 11, 12, 13, 14	<b>LONG TERM DEBT PAYING BAILITY</b> Income Statement consideration when determining long term debt paying ability, Balance sheet consideration when determining long term debt paying ability, Other long term debt paying ability ratios.
Lectures 15, 16	<b>PROFITABILITY</b> Price elasticity of demand, price elasticity of supply, distinct categories of price elasticity of demand, various categories of price elasticity of supply.
Lectures 17, 18, 19	<b>PROFITABILITY</b> Profitability measures, Dupont analysis, Relationship between profitability ratios, comprehensive income, pro-forma financial information.
Lectures 20, 21, 22	<b>RATIOS FOR THE INVESTORS</b> Leverage (Operating leverage and financial leverage), Degree of financial leverage, Earning per share, price earnings ratio, dividend payout, dividend yield, Book value per share,
Lectures 23, 24, 25, 26	<b>STATEMENT OF CASH FLOWS</b> Basic elements of cash flow statement, Financial ratios and the statement of cash flows,

Lectures 27, 28, 29, 30	<b>EXPANDED ANALYSIS</b> Ratios as perceived by loan departments, corporate controllers, public accountants, financial analysts, financial ratios used in financial reports, forecasting financial failure, management’s use of analysis, management of earnings, valuation.
Lectures 28, 29, 30, 31, 32	<b>SPECIAL INDUSTRIES</b> Banks, Utilities, Oil and Gas, Transportation, Insurance and Real Estate Companies
Lectures 33, 34, 35, 36	<b>PERSONAL FINANCIAL STATEMENTS AND ACCOUNTING FOR GOVERNMENTS AND NOT-FOR-PROFIT ORGANIZATIONS</b>

**Books prescribed:**

- 1. “Financial Reporting and Analysis ” by Charles H. Gibson (12<sup>th</sup> Edition)
- 2. “Good to Great” by Jim Collins
- 3. “Built To Last: Successful habits of visionary companies” by Jim Collins

**Testing & Grading**

- 1. Grading will tend to focus on your overall performance rather than one or two aspects. A mid-term examination of 30 marks and a comprehensive final examination of 50 marks will be given.
- 2. Excessive absences (more than 05) will result in “F Grade”. However, 0.5 marks will be deducted from sessional marks on every absent marked even a student qualifies for exams.
- 3. Test questions may be taken from textbook reading, hypertext material, additional material discussed in class and/or other assigned readings.

**Marks Distribution**

Assignments	05
Quizzes	05
Presentation	05
Discipline/class participating	05
Mid-term examination	30
Final-term examination	50
Total	<u>100 Marks</u>