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| **STUDY PROGRAMME:** | **Professional Graduate Study Programme *Management in Agriculture*** | |
| **Course:** | **FINANCIAL REPORT ANALYSIS** | |
| **Course code:** 154326  **Course status**: compulsory | **Semester**: **III** | **ECTS credits: 6** |
| **Course holder:** | **Dušanka Gajdić**, Ph.D.,professor of professional studies | |
| **Modes of delivery:** | **Number of hours** | |
| **Lectures** | 35 | |
| **Excersises** | 20 | |
| **Seminars** | 5 | |

**Course objectives:** Understanding the concept and role of financial statement analysis in modern business conditions. Acquiring knowledge about fundamental tools and procedures for financial statement analysis. Evaluating the financial position (safety) and performance of businesses based on financial statements for various industries.

**Course content**

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|  | **Course units** | **Modes of delivery** | | | **Places of delivery** |
| L | E | S |
| 1. | Curriculum; Introduction to financial statement analysis, Concept and significance of financial statement analysis. Users of financial statement analysis results | 2 |  |  | Lecture hall |
| 2. | The concept and types of basic financial statements, Elements of financial statements. | 2 |  |  | Lecture hall |
| 3. | Balance sheet – statement of financial position. | 2 |  |  | Lecture hall |
| 4. | Income statement – statement of business performance. | 2 |  |  | Lecture hall |
| 5. | Cash flow statement, Cash flows from operating, financing, and investing activities. | 2 |  |  | Lecture hall |
| 6. | Accounting policies and notes to the financial statements. | 2 |  |  | Lecture hall |
| 7. | The interrelationship of the three fundamental financial statements. The triple objective of the entrepreneur: net income, financial position, and cash flows. | 2 |  |  | Lecture hall |
| 8. | Financial statement analysis. Financial statements as a basis for measuring the safety and performance of business operations. | 2 |  |  | Lecture hall |
| 9. | Fundamental tools and procedures for financial statement analysis. | 2 |  |  | Lecture hall |
| 10. | Comparative financial statements and the process of horizontal analysis. Analysis of trends and dynamics of changes. | 2 |  |  | Lecture hall |
| 11. | Structural financial statements and the process of vertical analysis. Analysis of structure. | 2 |  |  | Lecture hall |
| 12. | Financial ratios in financial statement analysis (individual, aggregate, group, and system ratios). | 3 |  |  | Lecture hall |
| 13. | Audit as a prerequisite for the quality (reality and objectivity) of financial reporting. Concept, purpose, and fundamental characteristics of financial statement auditing. Scope and subject of the audit. | 2 |  |  | Lecture hall |
| 14. | Determining the value of a business – book value, market value, and intrinsic value. | 2 |  |  | Lecture hall |
| 15. | Creditworthiness. Financial statement analysis for assessing a company's creditworthiness. | 2 |  |  | Lecture hall |
| 16. | Financial statements as a basis for measuring the safety and performance (effectiveness) of business operations. | 2 |  |  | Lecture hall |
| 17. | Responsibility for financial statements, deadlines for preparing and presenting financial statements, and the publication of financial statements. | 2 |  |  | Lecture hall |
| 18. | Proposing case study topics and researching relevant data and literature. |  | 2 |  | Lecture hall |
| 19. | Exercise 1 – Evaluating the financial position (business safety) based on the balance sheet. Scope and structure of assets, liabilities, and equity. |  | 2 |  | Lecture hall |
| 20. | Exercise 2 – Assessing business performance based on the income statement. Scope and structure of revenues and expenses. Quality of business results |  | 2 |  | Lecture hall |
| 21. | Exercise 3 – Cash flow statement. Scope and structure of cash receipts and cash payments. Quality of cash flow. |  | 2 |  | Lecture hall |
| 22. | Exercise 4 – Horizontal and vertical analysis of financial statements. |  | 4 |  | Lecture hall |
| 23. | Exercise 5 – Calculating financial ratios (liquidity, solvency, activity, efficiency, and profitability ratios). Examples of financial statement analysis using financial ratios. |  | 6 |  | Lecture hall |
| 24. | Exercise 6 – The relationship between financial statement analysis, accounting, and auditing. Case analysis, issues in reading and understanding financial statements. Examples of auditor's reports |  | 2 |  | Lecture hall |
| 25. | Presentations of seminar papers and/or case studies. Discussion among students. |  |  | 5 | Lecture hall |
|  | **In total** | 35 | 20 | 5 |  |

**L=Lectures, E=Excersises, S=Seminars**

**Learning outcomes (LO)**

LO 1. Evaluate the role of financial statement analysis for successful business management.

LO 2. Based on horizontal and vertical analysis of financial statements, critically assess the financial position of the business.

LO 3. Assess the safety and performance of the business based on the analysis of the balance sheet and income statement.

LO 4. Evaluate the financial position and performance of the business based on the calculation of financial performance ratios.

LO 5. Argue the final opinions of the auditor on the financial statements.

LO 6. Compare book value, market value, and intrinsic value to assess business performance.

Course holder:

Dušanka Gajdić, Ph. D., professor of professional studies

Križevci, July 2024