

Name of the course	Financial Reporting and Analysis
Course Code	421
Semester	V
Credit Hours	3
Prerequisite	-
Learning outcomes	<p>On completion of this course, the students will be able to:</p> <ol style="list-style-type: none"> 2. Understand the historical development of financial reporting. 3. Know the theoretical underpinning of conceptual framework. 4. Recognize the technical and conceptual implications of important IAS and IFRS. 5. Prepare final accounts of companies. 6. Analyze the financial statements for economic decision making. 7. Understand the issues and controversies in financial statements.
Contents	<p>Unit-1 An Overview of Financial Reporting</p> <ol style="list-style-type: none"> 1.1 The history of Accounting 1.2 Development of Accounting Standards: From 1929 NY 1.3 Stock crash to International Financial Reporting Standards (IFRS) 1.4 The Security Exchange Commission of Pakistan (SECP) and regulatory requirements for Financial Reporting. 1.5 Underlying issues and objectives of financial reporting <p>Unit-2 Conceptual Framework</p> <ol style="list-style-type: none"> 2.1 The history of conceptual framework 2.2 Major Issues on agenda 2.3 Rule based vs. Principal based standards debate 2.4 The ambiguity of financial terminology and efforts to standardize interpretations. 2.5 Basics for financial modeling <p>Unit-3 Important IAS and IFRS</p> <ol style="list-style-type: none"> 3.1 IAS 1 Presentation of Financial Statements 3.2 IAS 2 Inventories 3.3 IAS 5 Information to Be Disclosed in Financial Statements 3.4 IAS 7 Statement of Cash Flows 3.5 IAS 18 Revenue 3.6 IAS 36 Impairment of Assets 3.7 IAS 37 8Accounting for Research and Development Activities 3.8 IAS 38 Intangible Assets 3.9 IFRS 10 Consolidated Financial Statements <p>Unit-4 Preparation of Financial Statements</p> <ol style="list-style-type: none"> 4.1 Balance Sheet 4.2 Profit and Loss Account/ Income Statement 4.3 Cash Flow Statement <p>Unit-5 Issues and Controversies in Financial Reporting</p> <p>Unit-6 Earnings Management</p> <ol style="list-style-type: none"> 6.1 Red flags

	<p>6.2 Fraud triangle</p> <p>6.3 Accounting shenanigans on cash flow statement.</p> <p>6.4 Stretching out payables</p> <p>6.5 Financing of payables</p> <p>6.6 Securitization of receivables</p> <p>6.7 Using stock buybacks to offset dilution of earnings</p> <p>Unit-7 Financial analysis techniques</p> <p>7.1 Ratio analysis</p> <p>7.2 Common size financial statements</p> <p>7.3 Charts in financial analysis</p> <p>7.4 Limitations of ratio analysis</p> <p>7.5 Activity, liquidity, solvency, profitability and valuation ratios Du-Pont analysis</p> <p>7.6 Equity analysis, credit analysis, and segment analysis</p> <p>Unit-8 Financial Statement Analysis: Applications</p> <p>8.1 Company's past financial performance evaluation and finding company' strategy reflected in past financial performance</p> <p>8.2 Basic projection of a company's future net income and cash flow</p> <p>8.3 Role of financial statement analysis in assessing the credit quality of a potential debt investment.</p> <p>8.4 Financial statement analysis in screening for potential equity investments.</p> <p>8.5 Appropriate analyst adjustments to a company's financial statements to facilitate comparison with another company.</p>
Teaching & Learning Strategies	A combination of lecturing, presentations, and discussions will be used to conduct the course. Students will be expected to read extensively ahead of each class session and actively participate in discussions and practical work.
Assignment	Written assignment (10 marks), presentation (5 marks) and Quiz (10 marks)
Suggested Readings	<p>Brealey, R. A., Myers, S. C., Allen, F., & Mohanty, P. (2018). <i>Principles of corporate finance</i> (12th ed.). McGraw-Hill.</p> <p>Brigham, E. F., & Houston, J. F. (2012). <i>Fundamentals of financial management</i> (12th ed.). Cengage Learning.</p> <p>Brigham, E. F., & Houston, J. F. (2015). <i>Fundamentals of financial management concise</i> (8th ed.). Cengage Learning.</p> <p>Meigs, R. F., Williams, J. R., Haka, S. F., & Bettner, M. S. (1999). <i>Accounting: The basis for business decisions</i>. McGraw Hill</p> <p>Van Horne, J. C., & Wachowicz, J. M. (2012). <i>Fundamentals of financial management</i> (13th ed). Pearson Education.</p> <p>White, G. I., Sondhi, A. C., & Fried, D. (2016) <i>The analysis and use of financial statements: Version 1.0</i> (3rd ed). John Wiley.</p> <p>Zeff, S. A., & Dharan, B. G. (1994). <i>Readings and notes on financial accounting: Issues and controversies</i>. McGraw-Hill.</p>

Assessment and Examinations

Sr. #	Elements	Weightage	Details
1	Midterm Assessment	35%	Written test (at the mid-point of the semester)
2	Formative Assessment	25%	Assignment, presentation and quiz
3	Final Assessment	40%	Written test (at the end of the semester)