

**MIDDLE EAST TECHNICAL UNIVERSITY**  
**Department of Business Administration**

EMBA 5818 Analysis of Financial Statements

Summer 2011

Asst. Prof. Dr. Adil ORAN

Phone: 210-2041

**Class Hours: M & W 18:30-21:30**

Office: H114

**Sa 09:30-12:30 G109.**

WWW: <http://adiloran.com/>

Email: [adiloran@metu.edu.tr](mailto:adiloran@metu.edu.tr)

Email List: [EMBA5818@yahoogroups.com](mailto:EMBA5818@yahoogroups.com)

**Text:**

Understanding Financial Statements, by Lyn M. FRASER and Aileen ORMISTON, 8<sup>th</sup> ed, Prentice Hall.

**Course Objectives:**

- Become familiar with almost all components of Financial Statements and become aware of potential pitfalls in using them.
- Develop ability to use the financial statements to understand and report what has been taking place in the company and what is likely to happen in the future.
- By using the tools and techniques learned in this course, the student will be able to identify strengths and weaknesses of the company and suggest possible strategies for the future.
- Be aware of the various stakeholders of the company and the type of information that they focus on and find useful.
- Learn to calculate the various ratios and other tools of financial statement analysis, but more importantly be able to interpret the information.

**Course Description:**

This is a course in the evaluation and analysis of financial statements. It is assumed that the student has a working knowledge of the basic theoretical and practical concepts of financial accounting, corporation finance and economics. The course materials do not dwell on the basics but rather assume your knowledge of them. Our starting point will be a set of financial statements for a company and we will proceed to extract the relevant information about what the company has been doing and attempt to understand the direction it is headed in. This is a course that will have great practical value to individuals from a very wide range of areas.

**Class Participation:**

Participation will sometimes be voluntary and sometimes mandatory. Remember that as a businessperson, it will be essential for you to be able to discuss topics comprehensibly and skillfully. There are few places to better practice this than in class. In the classroom your mistakes cost you very little, but it is an ideal environment to learn. So take advantage of it!

**Case Study:**

The case study will be an essential part of this course. You are required to choose a company to examine and obtain its financial statements. You will also be required to present your results to the class. The case study will be worth the equivalent of one exam (100 points). In these case studies, the interpretation and insight will be more important than the mechanical work, however, proper execution of the mechanical work is still essential.

**Quizzes:**

## EMBA5818 Analysis of Financial Statements

Little applications to solidify your understanding of the material.

### Assignments and Class Discussions:

You will be asked to carry out steps of the analysis on your chosen company. When the subject is being covered in class, I may ask for details about your company.

### Case Study Presentation:

The presentation of your case study to your classmates will be worth 50 points. You will be expected to present your main findings while also making a good presentation. You are welcome to use visual aids in your presentation.

### Class Preparation:

You should come to class having read the relevant material prior to class, and prepared any assignments for the topic to be covered that day. Proper preparation for the class will significantly increase your understanding of the lecture and related subject. Questions are expected and encouraged.

### Grading:

Quizzes	20 points
Class discussions	30 points
Exam	100 points
Project	50 points
Project presentation	<u>50points</u>
<b>TOTAL</b>	<b>250 points</b>

### Email list:

You are **required** to join the email list for this course ([EMBA5818@yahoogroups.com](mailto:EMBA5818@yahoogroups.com)) in order to receive information about assignments, and the latest information concerning the course such as new resources, changes in dates, etc.

### Class Web Page:

The web page will contain all of the class material, links to useful sites, link to the book's web page, assignments, class notes (ppt), and grades.

### Course outline:

<b>Date</b>	<b>Chapter-Topic</b>	<b>Assignments due</b>
04/07	1-Overview of Financial Statements	<b>Choose firm</b>
06/07	2-Tools of Analysis	<b>Read notes</b>
09/07	3-Analysis	<b>Prepare ratios</b>
11/07	4-Analysis and Exam	<b>Interpretations</b>
13/07	5-Presentations	<b>Case study</b>