



Courses taught in English at the Faculty of Economic Sciences

Module No.: M.WIWI-BWL.0018 (800495) Title: Analysis of IFRS Financial Statements		Credits: 6
Course Content: The aim of this course is to acquaint students with contemporary methods of financial statement analysis and accounting-based valuation. Special emphasis will be put on (1) the interrelation between valuation theory and accounting, (2) relevant characteristics of financial statements prepared on the basis of International Financial Reporting Standards (IFRS), and (3) application of the valuation and analysis framework to real world cases and examples. The course will discuss several approaches to valuation of equity and debt investments and their respective merits. Based on the concept of accounting-based valuation, an analytical framework for analysis of financial statements will be developed, with an emphasis on ratio analysis of profitability and growth. Having identified the major value drivers at work, forecasting tools will be outlined. The role of accounting and accounting quality in general, and with respect to International Financial Reporting Standards (IFRS), will be assessed throughout the course. This course rests on a user perspective of financial statements and is therefore well suited for participants who expect to be active users of financial statements as part of their professional responsibilities, e.g. in investment banking, consulting or equity analysis. Students with prospective careers in the preparation and auditing of financial statements will also benefit from a deeper understanding of the capital markets impact and use of financial information.		Course Type: Lecture
Recommended Prerequisites: This course requires a solid understanding of the principles of accounting and of International Financial Reporting Standards (IFRS). Since financial statement analysis brings together valuation and accounting, familiarity with principles of finance, especially investment analysis, is also helpful. Therefore, having taken the "Basismodul Rechnungslegung (Financial Reporting)" is of	Exam: 90 minute written examination	

potential benefit. Naturally, the course in Corporate Finance ("Basismodul Finanzierung der Unternehmung") is also helpful.	
Recommended Semester: All Master Semesters	Cycle: Every Summer Semester
Literature: The lecture draws heavily from <ul style="list-style-type: none"> · <i>Penman, Stephen H.: Financial Statement Analysis and Security Valuation, 4th edition, McGrawHill 2010.</i> Other books you might find useful include: <ul style="list-style-type: none"> · <i>Palepu, Krishna G., Healy, Paul M. and Victor L. Bernard: Business Analysis and Valuation Using Financial Statements, Text & Cases, 2nd edition, Thomson Learning 2000.</i> · <i>Wild, John J., Bernstein, Leopold A. and K. R. Subramanyam: Financial Statement Analysis, 7th edition, McGrawHill 2001.</i> · <i>White, Gerald I., Sondhi, Ashwinpaul C. and Dov Fried: The Analysis and Use of Financial Statements, 3rd edition, Wiley 2003.</i> 	Lecturer: Prof. Dr. Jörg-Markus Hitz