



COURSE DATA

DATA SUBJECT

Code: 35799

Name: Financial statements analysis

Cycle: Undergraduate Studies

ECTS Credits: 6

Academic year: 2025-26

STUDY (S)

Degree	Center	Acad. year	Period
1313 - Degree in Business Management and Administration	Facultat d'Economia	3	Second quarter
1330 - Degree in Business Management and Administration (Ontinyent)	Facultat d'Economia	3	Second quarter
1921 - Double Degree Program BMA and Law	Facultat d'Economia	4	Second quarter, First quarter
1926 - Double Degree Program Tourism and BMA	Facultat d'Economia	4	Second quarter

SUBJECT-MATTER

Degree	Subject-matter	Character
1313 - Degree in Business Management and Administration	Analysis of financial information	COMPULSORY
1330 - Degree in Business Management and Administration (Ontinyent)	Análisis de la Información Financiera	COMPULSORY
1921 - Double Degree Program BMA and Law	Year 4 compulsory subjects	COMPULSORY
1926 - Double Degree Program Tourism and BMA	Asignaturas de cuarto curso	COMPULSORY

COORDINATION

ALCAIDE GONZALEZ MARIA ANGELES

RUIZ LLOPIS AMPARO

SUMMARY

The Financial Statement Analysis course aims to ensure that students who have completed the Financial Accounting course in their first year, and who have learned, among other aspects of the subject, how to prepare a company's Annual Accounts and complete the accounting cycle, will:

First, be able to extract and communicate to users, both internal and external, the information contained therein to facilitate their economic decisions (whether to invest; whether to expand the business; whether



to grant credit; whether to finance through debt or through contributions from owners; whether to determine whether the company is in financial balance; etc.).

Second, it aims to ensure that students are able to apply the analytical tools they have acquired to a company's annual accounts or financial statements in order to assess its economic and financial situation and attempt to find solutions to potential imbalances. Third, in the course of its business, the company generates receivables, which it subsequently transforms into cash through collection; however, it also incurs debts and payment obligations that it must meet. Determining or understanding the flow of receivables in order to meet its payments is crucial to the life of the company, as its financial stability and future development depend on it. For this information, we have the Cash Flow Statement (CFS).

Fourth, the student will be able to determine, using the Break-Even Point, the volume of production and marketing required to cover the total costs of the economic unit and also determine, in the case of multiple production operations, whether marketing all products is efficient or whether the production and marketing of some of them should be discontinued. Finally, students must be able, using appropriate tools, to determine the profitability of the activity and also decide whether the financial structure, in business expansions, should be supported solely by equity or, when it is beneficial for the company, resort to borrowing, or a combination of both.

With all this, students are considered ready to address the analysis and interpretation of economic and financial information provided by companies.

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PREVIOUS KNOWLEDGE

RELATIONSHIP TO OTHER SUBJECTS OF THE SAME DEGREE

There are no specified enrollment restrictions with other subjects of the curriculum.

OTHER REQUIREMENTS

It is essential that the student have extensive knowledge of Financial Accounting.

COMPETENCES / LEARNING OUTCOMES

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Be able to analyse and search for information from different sources.

Be able to apply and introduce continuous improvement procedures in all areas of the organisation.

Be able to elaborate, interpret and analyse the financial statements of organisations, and to understand their implications for other business decisions and areas.

Be able to establish a system of business management indicators.



Be able to evaluate the economic and financial consequences of the application of Spanish accounting standards.

Be able to make decisions.

Be able to work in a team.

Demonstrate capacity for analysis and synthesis.

Demonstrate oral and written communication skills in the native language.

Have critical and self-critical capacity.

Have organisation and planning skills.

Manage time effectively.

DESCRIPTION OF CONTENTS

1. METHODOLOGY OF ANALYSIS OF FINANCIAL STATEMENTS

- 1.1. The Introduction
- 1.2. The accounting information and the analysis of financial statement (AFE)
- 1.3. Users of accounting information
- 1.4. The concept and objectives of the AFE
- 1.5. Techniques and general instruments used for the AFE
- 1.6. The classification of financial statements
- 1.7 Sustainability information and its impact on financial reporting

2. ANNUAL FINANCIAL STATEMENTS. THE BALANCE

- 2.1. The nature and the meaning of the balance
- 2.2. The structure of the balance. Analysis of its components
- 2.3. Assets
- 2.4. Equity
- 2.5. Liabilities
- 2.6. Presentation of the balance sheet in Spanish regulations



3. THE ANALYSIS OF THE SHORT-TERM FINANCIAL SITUATION

- 3.1. The scope and meaning of the short-term financial situation
- 3.2. The cycle of short-term values in the company.
- 3.3. The concept of working capital. Financial equilibrium
- 3.4. The maturity period
- 3.5. The working capital requirements
- 3.6. Financial ratios

4. THE ANALYSIS OF THE LONG-TERM FINANCIAL SITUATION

- 4.1. The scope and meaning of financial situation on long-term
- 4.2. The structure and composition of assets and liabilities on long-term
- 4.3. The indebtedness of the company
- 4.4. Other long-term financial ratios

5. THE ANNUAL ACCOUNTS: THE ACCOUNT OF THE RESULTS

- 5.1. The nature and meaning of the income statement
- 5.2. The components of the income statement
- 5.3. The results in the profit and loss account
- 5.4. The income statement in G.A.P.
- 5.5. The Cash flow as resources generated
- 5.6. The business surplus and the added value

6. ECONOMIC ANALYSIS

- 6.1. The behavior of costs
- 6.2. The profit and loss account by margins.
- 6.3. The breakeven point for a product.
- 6.4. The critical points of particular products and overall breakeven point.
- 6.5. The operating leverage
- 6.6. The commercial efficiency index and absorption of fixed charges.



7. THE ANALYSIS OF RENTABILITY

- 7.1. The profitability concept
- 7.2. The economic profitability
- 7.3. The financial profitability
- 7.4. The decomposition of financial profitability
- 7.5. Other measures of profitability

8. OTHER ANNUAL ACCOUNTS

- 8.1. The statement of cash flows
- 8.2. The notes to the annual accounts
- 8.3. Other financial statements

WORKLOAD

PRESENCIAL ACTIVITIES

Activity	Hours
Theory	30,00
Classroom practices	30,00
Total hours	60,00

NON PRESENCIAL ACTIVITIES

Activity	Hours
Attendance at other activities	0,00
Individual or group project	15,00
Independent study and work	47,00
Preparation of lessons	20,00
Preparation for assessment activities	0,00
Resolution of case studies	8,00
Total hours	90,00

TEACHING METHODOLOGY

Different teaching methods will be used in the teaching-learning process so that the student acquires all the competences outlined above.



First, magisterial lesson will be a participatory classroom to present the essential theoretical content. The practical application of theoretical content will take place in practical classes where problems and case study will be solved with application of techniques and/or oral presentations, discussions, individual and / or team. The independent work will be supervised and based on reading and assessment reports, exercises and/or individual projects and/or team.

If the subject is applied in a language other than the two official languages, the student shall have to reply to the examination in that language in which the subject is subjected.

EVALUATION

There will be a final exam at the end of the course covering all the subjects listed in the outline. The exam will take into consideration the **theoretical as well as the practical** knowledge of the students. In order to **pass** the exam it is necessary to achieve 5 points out of 10 points. Students that do not pass the exam will have a second chance in the second call.

Additionally students have to realise a **case study**, which will be monitored by the faculty. This coursework will be taken into account in order to obtain the final mark. The final mark will be formed adding the one obtained in the case study (30%) and the final exam (70%).

REFERENCES

- MARTINEZ GARCIA, F.J.; SOMOHANO RODRIGUEZ, F.M. (2002): Análisis de estados contables. Comentarios y ejercicios. Pirámide
- GONZALEZ PASCUAL, J. (2014): Análisis de la empresa a través de su información económica-financiera. Fundamentos teóricos y aplicaciones. Pirámide.
- GARRIDO MIRALLES, P. e IÑIGUEZ SANCHEZ, R. (2017): Análisis de Estados Financieros. Editorial Pirámide.
- BERNSTEIN, L.A. and J.J. WILD (1998) Financial Statement Analysis: Theory, Application and Interpretation, McGraw-Hill International
- PALEPU, K.G., P.M. HEALY, and E. PEEK (2013) Business Analysis and Valuation Using Financial Statements, IFRS Edition, South-Western Cengage Learning.
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- ARCHEL P., LIZARRAGA, F., SANCHEZ S. y CANO M. (2018): Estados contables. Elaboración, análisis e interpretación. Pirámide.