

**COURSE DATA****DATA SUBJECT**

**Code:** 35890  
**Name:** Financial statements analysis  
**Cycle:** Undergraduate Studies  
**ECTS Credits:** 6  
**Academic year:** 2025-26

**STUDY (S)**

Degree	Center	Acad. year	Period
1314 - Degree in International Business	Facultat d'Economia	3	Second quarter

**SUBJECT-MATTER**

Degree	Subject-matter	Character
1314 - Degree in International Business	Financial and management accounting	COMPULSORY

**COORDINATION**

HANCU BUDUI ANDREEA

**SUMMARY**

Financial Statement Analysis is an accounting course aimed at advanced-level students of International Business. The course is designed for students with a solid understanding of financial accounting and finance. It is structured in the following three parts:

Part 1: introduces the issues and provides a broad framework for the analysis and valuation of companies based on the analysis of their financial statements and sustainability information.

Part 2: describes the main tools used to analyze financial statements.

Part 3: applies the aforementioned tools to a variety of investment and financing decisions.

The course has both a theoretical and practical dimension, which aims to understand, primarily from the perspective of external users, how to use financial statements in a variety of business decision-making and valuation contexts. Upon completion of the course, students should:



- Understand the limitations and restrictions of financial statements, and
- Be able to use financial statements and sustainability information to make economic decisions in a wide variety of business situations.

## PREVIOUS KNOWLEDGE

### RELATIONSHIP TO OTHER SUBJECTS OF THE SAME DEGREE

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

### OTHER REQUIREMENTS

Students should know how to prepare annual accounts of any company or entity and know the different ways that exist to finance its activities.

## COMPETENCES / LEARNING OUTCOMES

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Calcular y analizar las distintas acepciones de rentabilidad.

Calcular y analizar los distintos ratios de situación financiera y liquidez de la empresa y su capacidad predictiva.

Conocer las herramientas de análisis de estados financieros.

Conocer los distintos estados financieros de la empresa.

Conocer los distintos usuarios internos y externos y sus necesidades informativas.

Develop the capacity to prepare and defend reports that contribute to the decision-making of public and private agents.

Prepare, interpret and analyse the accounting information of companies.

Use the economic and financial information of the company to make decisions.

## DESCRIPTION OF CONTENTS

### 1. INTRODUCTION



## **1. The framework for analyzing a company through financial statement analysis**

- 1.1. How to approach financial statement analysis: from business activities to financial statements and from financial statements to activities
- 1.2. Analysis of corporate strategy
- 1.3. Users of financial statement analysis and their decisions

## **2. ANALYSIS TOOLS**

### **2. Accounting Analysis**

- 2.1. The annual accounts: Content and structure
- 2.2. Accrual accounting vs. cash accounting: the balance sheet and income statement vs. the cash flow statement
- 2.3. Communication through financial statements
- 2.4. The role of accounting standards
- 2.5. Analysis of accounting data quality
- 2.6. Analysis of sustainability information and its impact on financial reporting

### **3. Financial Analysis I**

- 3.1. Return on Equity (ROE)
- 3.2. Return on Investment (ROI)
- 3.3. ROE and ROA Decomposition: The Drivers of Profit
- 3.4. The Impact of Financial Debt on ROE. Leverage Effect

### **4. Financial Analysis II**

- 4.1. Working Capital Analysis



4.2. Short-Term Liquidity

4.3. Long-Term Solvency

4.4. Ratios and Financial Analysis

### **5. Financial Analysis III**

5.1. Cash Flow Statements

5.2. Cash Flow Analysis

### **6. Predictive Analysis**

6.1. Short-Term Forecasting

6.2. Long-Term Forecasting

6.3. Break-Even Analysis

## **3. FINANCIAL ANALYSIS AND INVESTMENT AND FINANCING DECISION-MAKING**

### **7. Analysis Applied to Company and Equity Valuation**

7.1. Equity Analysis and Market Efficiency

7.2. Fundamental Analysis vs. Technical Analysis

7.3. Valuation Based on Accounting Data

7.4. Mergers and Acquisitions

### **8. Analysis Applied to Financing Decisions**

8.1. The Market for Financing

8.2. The Credit Analysis Process

8.3. Predicting Financial Distress

**WORKLOAD****PRESENCIAL ACTIVITIES**

Activity	Hours
Theory	30,00
Classroom practices	30,00
<b>Total hours</b>	<b>60,00</b>

**NON PRESENCIAL ACTIVITIES**

Activity	Hours
Attendance at other activities	0,00
Individual or group project	25,00
Independent study and work	35,00
Preparation of lessons	30,00
Preparation for assessment activities	0,00
Resolution of case studies	0,00
<b>Total hours</b>	<b>90,00</b>

**TEACHING METHODOLOGY**

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 taught in a language other than the two official languages, students must take the examination in the language in which the subject is taught.

**EVALUATION**

There will be a final exam at the end of the academic course, with two calls, in the dates established by the Faculty of Economics. The final exam will evaluate the theoretical and practical knowledge of the students, and so it will take into account all items included in the syllabus and the case studies covered in the lectures. It will weigh 70% of the final grade. In addition, students must do a group project (3 students maximum), under the teacher's supervision. This group project is the continuous evaluation that will weigh 30% of the final grade. The mark obtained in this project will be also applied in the second call (in case the student does not pass in the first). Continuous assessment may also include other types of individual or group activities (online tests, case solutions, etc.).

To pass the subject it is compulsory to obtain 5 points out of a total of 10 in the final exam, and the final mark will be the weighted average of the exam and the continuous evaluation. If in the exam the student obtains less than 5, the final mark will be the one obtained in the exam (without considering the continuous evaluation). This applies to both calls.



## REFERENCES

- PALEPU, K.G. P.M. HEALY and E. PEEK (2022). Business Analysis and Valuation IFRS edition, 6th edition. South Western Cengage Learnings.
- GARRIDO MIRALLES, P. e ÍÑIGUEZ SÁNCHEZ, R. (2021). Análisis de Estados contables. Elaboración e interpretación de la información financiera. Editorial Pirámide.
- PENMAN, S.H (2013). Financial Statement Analysis and Security Valuation. 5th ed. New York: McGraw-Hill.
- ARCHEL DOMENECH, P., LIZARRAGA DALLO, F., SÁNCHEZ ALEGRÍA, S. y CANO RODRÍGUEZ, M. (2015). Estados Contables. Elaboración, análisis e interpretación. Editorial Pirámide.