

**College of San Mateo
Official Course Outline**

1. COURSE ID: ACTG 108 **TITLE:** Financial Statement Analysis Survey

Units: 1.0 units **Hours/Semester:** 16.0-18.0 Lecture hours; and 32.0-36.0 Homework hours

Method of Grading: Pass/No Pass Only

2. COURSE DESIGNATION:

Degree Credit

Transfer credit: CSU

3. COURSE DESCRIPTIONS:

Catalog Description:

Survey of financial statement analysis concepts and applications. Topics include preparation of financial statements, horizontal analysis, vertical analysis, and using ratios to analyze profitability, liquidity, ability to pay short-term and long-term debts, and common stock as an investment. This course provides foundational skills that will help students succeed in all other accounting courses. Students may use this course as preparation for future accounting classes or as a review. The Financial Accounting and Reporting (FAR) and Auditing and Attestation (AUD) sections of the CPA exam include questions based on financial statement analysis, so this course will help students prepare for the CPA exam.

4. STUDENT LEARNING OUTCOME(S) (SLO'S):

Upon successful completion of this course, a student will meet the following outcomes:

1. Discuss the terminology, concepts, principles, and ethics used in financial statement analysis.
2. Using the proper formats, perform the calculations and explain the steps to solve financial statement analysis problems.

5. SPECIFIC INSTRUCTIONAL OBJECTIVES:

Upon successful completion of this course, a student will be able to:

1. Define commonly used terminology
2. Prepare financial statements
3. Prepare horizontal analysis, vertical analysis, common size financial statements, and trend analysis.
4. Use ratios to analyze profitability
5. Use ratios to analyze liquidity
6. Use ratios to analyze ability to pay short-term and long-term debts
7. Use ratios to analyze common stock as an investment

6. COURSE CONTENT:

Lecture Content:

1. What are the rules that govern accounting?
2. What is the accounting equation?
3. How do you analyze a transaction?
4. How do you prepare financial statements?
5. How do you use financial statements to evaluate business performance?
6. How are financial statements used to analyze a business?
7. How do we use horizontal analysis to analyze a business?
8. How do we use trend analysis to analyze a business?
9. How do we use vertical analysis to analyze a business?
10. How do we use common-size financial statements to analyze a business?
11. How do we use benchmarking to analyze a business?
12. How do we use ratios to analyze a business?
13. How do we evaluate the ability to pay current liabilities?
14. How do we evaluate the ability to sell merchandise and collect receivables?
15. How do we evaluate the ability to pay long-term debt?
16. How do we evaluate the ability to earn profits?
17. How do we evaluate common stock as an investment?

7. REPRESENTATIVE METHODS OF INSTRUCTION:

Typical methods of instruction may include:

- A. Lecture
- B. Other (Specify): The course will use Canvas, an online teaching platform sponsored by the district. Through Canvas and related resources the course may use online presentations, bulletin boards, resource links, chat rooms, forums, online office hours, and email. Announcements and weekly postings are typically done at the start of the week and more often when necessary.

8. REPRESENTATIVE ASSIGNMENTS

Representative assignments in this course may include, but are not limited to the following:

Writing Assignments:

Students will complete a series of essay assignments on the following topics:

1. Definition of commonly used terminology
2. Preparation of financial statements
3. Preparation of horizontal analysis, vertical analysis, common size financial statements, and trend analysis.
4. Use ratios to analyze profitability
5. Use ratios to analyze liquidity
6. Use ratios to analyze ability to pay short-term and long-term debts
7. Use ratios to analyze common stock as an investment

Reading Assignments:

Read textbook.

Read online resources provided by instructor on Canvas.

9. REPRESENTATIVE METHODS OF EVALUATION

Representative methods of evaluation may include:

- A. Exams/Tests
- B. Homework
- C. Quizzes

10. REPRESENTATIVE TEXT(S):

Possible textbooks include:

- A. Martin S. Fridson, Fernando Alvarez. *Financial Statement Analysis: A Practitioner's Guide*, 5 ed. Wiley, 2022

Origination Date: March 2022

Curriculum Committee Approval Date: March 2022

Effective Term: Fall 2022

Course Originator: Rosemary Nurre