



Course Description

FIN2642 | Financial Analysis & Valuation | 3.00 credits

This course will cover financial institutions, financial investments, financial planning and analysis and international financial perspectives. It addresses core principles of value creation, merger, analysis of historical financial performance, cash flows and the identification of sources of value.

Course Competencies:

Competency 1: The student will attain proficiency in financial statement analysis and use them as a resource for fundamental analysis of equity and business valuation by:

1. Explaining the importance of financial analysis, in a company valuation
2. Identifying the operating, financing, and investing activities of a company
3. Learning how to identify the most important sections of an annual report that will assist in the financial analysis
4. Applying concepts in how to interpret financial ratio in fundamental analysis
5. Discussing complex income statement and balance sheet concepts (e.g. deferred taxes, goodwill, investments, etc.)
6. Performing investment analysis, impact on cash flows and valuation implications
7. Demonstrating knowledge of the commonly used business valuation approaches and methods

Competency 2: The student will demonstrate knowledge of advanced income statement analysis concepts by:

1. Applying key elements including how companies report revenues, segment and margin analysis and sustainable income
2. Explaining the difference between operating and financial leverage, earnings per share and the company valuation implications
3. Conducting a comprehensive vertical and horizontal analysis of the income statement
4. Performing trend analysis to determine the overall financial performance of a company and forecast future performance

Competency 3: The student will obtain knowledge base in capital markets, its main driving forces, and the role of financial engineering in developing new products to satisfy issuer and investor needs by:

1. Describing the capital markets formation process
2. Obtaining an understanding of the trends and opportunities in financial innovation
3. Explaining the primary differences between debt and equity markets
4. Describing the main advantages and disadvantages of risk transfer products such as swaps, futures and options
5. Explaining the qualitative and quantitative considerations that are critical to a business valuation in a merger and acquisition transaction

Learning Outcomes:

- Use quantitative analytical skills to evaluate and process numerical data
- Solve problems using critical and creative thinking and scientific reasoning
- Formulate strategies to locate, evaluate, and apply information
- Create strategies that can be used to fulfill personal, civic, and social responsibilities