

Oakland University
School of Business Administration
ACC 6010: Financial Analysis and Valuation, 10452
Winter 2018, 6:30-9:20 p.m., R, Mathematics & Science Center 187

I. Instructor:

- A. Joseph H. Callaghan, Professor of Accounting
Ph.D. University of Illinois, Urbana-Champaign
J.D.-M.B.A. University of Detroit-Mercy
B.S.-Accounting University of Detroit-Mercy
C.P.A. Certificate of Examination - Michigan
- B. Office: 321 EH
Hours: T: 2:30-3:30 pm
R: 2:30-3:30, 5:00-6:20 p.m.,
(by WebEx possibly) & by appointment
Office phone: 370-3538
Email: callagha@oakland.edu or within [Moodle](#)

II. Course Description and Objectives:

This course provides students with (1) skills/tools for evaluating a firm's financial conditions, and (2) experience in collecting, confronting and manipulating "real world" financial data. The course covers accounting analysis and financial analysis, which are two key components of financial statement analysis. The accounting analysis part of the course stresses on the alternative disclosures in financial statements (and accompanying notes), while the financial valuation stresses how accounting information is used in forming firm, debt and equity values using finance theory. The course is intended for individuals likely to become intensive users of financial accounting information in credit analysis, security analysis, merger and acquisition evaluation, etc. Specific course learning objectives (CLOs) that will be systematically assessed through a variety of assessment instruments are:

The specifically assessed Learning Goal (LG) in this course is:

Demonstrate an understanding of accounting information provided by a financial reporting entity and how this information is used in decision-making activities. This LG will measure the specific Course Learning Objectives (CLO)

CLO1. Perform forecasts of the financial and cash flows of a financial reporting entity.

CLO2. Perform valuation analysis of a financial reporting entity and its impact on portfolio risk and return.

CLO3. Provide appropriate profitability and risk analyses of a financial reporting entity.

III. Prerequisites:

ACC 512 and FIN 533 or equivalents

IV. Required Materials:

Text: Financial Models Using Simulation and Optimization II, Investment Valuation, Options Pricing, Real Options & Product Pricing Models, ISBN: 9781893281097 with Palisade Decision Tools, Bundle, *BY WAYNE WINSTON*, Palisade. Order forms in Moodle.

V. Grading:

The course grade will be based on the following weights:

Examination & Quizzes	20%
Assignments	35%
Class Participation	10%
Term Project: Report and Presentation	<u>35%</u>
	<u>100%</u>

Anticipated cutoffs (after possible curving) are 90 for A, 80 for B, 70 and for C. Participation may be documented using Attachment 1.

VI. Assignments:

Students are expected to have read the assigned readings and attempted to do the assigned problems. Students are required to submit the homework within Moodle. Students are required to email homework as an attachment file (word or excel). For homework, students are supposed to submit individual work and effort. Moodle will also be used for student communication. Discussion threads for different chapters and significant items will be created on Moodle for students' participation. Instructor will intervene only when it is necessary. Moodle is not a substitution for classroom instructions. Cases will be used to assess the learning of the material during the semester. Cases will be assigned to students during the semester. Students will form groups of 2-3 individuals for writing cases.

VII. Term Project:

Students will organize themselves into groups of three or four individuals. Each group will choose a publicly-traded company, which is listed on a major exchange (i.e. a SEC-regulated Company). Each group will be responsible to collect financial statements of the chosen company. The group will assume the role of one of the users of financial statements and perform an in-depth financial analysis and valuation. Each group will hand in a typed, twenty-page (maximum, double-spaced) written report of the analysis in good form. Additional information on this project will be given in the class.

VIII. Academic Conduct:

University rules for academic conduct will strictly be followed.

-Tentative Schedule-

ACC 6010	Financial Analysis & Valuation	
Time:	Days:	Where:
6:30 pm - 9:20 pm	R	Math & Science Center 187
Week of	Topic	Assignments
1/4/2018	Overview of Financial Reporting Models	
1/11/2018	Financial Statement Algebra	Compustat/Mergent/ Company Selection
1/18/2018	Profitability& Risk Analysis	FSAP Template
1/25/2018	Overview of Financial Reporting Models, Statistics and Math for Finance	TVOM
2/1/2018	Statistics and Math for Finance, Ratio Analysis	Stats
2/8/2018	Accounting Special Topics I	Market/Portfolio
2/15/2018	Accounting Special Topics II	
2/22/2018	Winter Recess	
3/1/2018	Valuation I	Installation
3/8/2018	Valuation II	Application 2
3/15/2018	Valuation II	Application 3
3/22/2018	Valuation III	
3/29/2018	Valuation III; Midterm Examination	
4/5/2018	Simulations	
4/12/2018	Presentations I/Slack	
4/19/2018	Presentations II	

Attachment 1: Class Participation Sheet

Student Name: _____

Sessions for Week of:	Summary of Best Comments Made During Class Discussion	Score By Instructor*
1/4/2018		
1/11/2018		
1/18/2018		
1/25/2018		
2/1/2018		
2/8/2018		
2/15/2018		
2/22/2018	Winter Break	
3/1/2018		
3/8/2018		
3/15/2018		
3/22/2018		
3/29/2018		
4/5/2018		
4/12/2018	Presentations I	
4/19/2018	Presentations II (Final)	

*1 point per week for attendance with "no comment,"
 1 point per week for a comment /contribution judged relevant by instructor, and
 1 extra credit point per week for a comment/contribution judged excellent by instructor.