

MISSION: To develop a unique business school identity which is distinctive in the marketplace and provides a clear value proposition for students. This will be achieved by embedding the themes of entrepreneurship and innovation, digitalisation and data within our programs and embracing sustainability, work integrated learning and a commitment to social justice.

OVERVIEW

Course Description This course introduces key valuation theories for financial statement analysis. The primary emphasis is on fundamental valuation, with a focus on developing and applying methods for valuing equity. Topics include the residual earnings model and the abnormal earnings growth model.

Sustainable Development Goals



Contact Hours

Integrated Learning Session

Face to Face on Campus
Two (2) hour(s) per Week for Full Term

Students are expected to complete 4 hours of guided learning via online preparation, lectures, interactive workshops, tutorials, discussion groups or self-directed learning and an additional 6 hours of independent study per week.

Unit Weighting
Pre-requisites

10

Students must have successfully completed ACFI1002 and ACFI1003 to enrol in this course.

Workload

Students are required to spend on average 120-140 hours of effort (contact and non-contact) including assessments per 10 unit course.

Please refer to the course CANVAS site for details of teaching staff for ALL course offerings. The primary contact for courses is the Course Coordinator, whose details are listed on the course CANVAS site.

Student Consultation

A minimum of one (1) hour of consultation per week. Please see course CANVAS site for details of time and location.

Course Learning Outcomes

On successful completion of this course, students will be able to:

1. Critically analyse and evaluate information contained within financial statements to conduct business analysis;
2. Describe and apply various valuation theories for security valuation;
3. Conduct accounting analysis, financial analysis and forecasting;
4. Demonstrate critical thinking, analytical and problem-solving skills in the context of financial statement analysis; and
5. Independently and collaboratively communicate financial statement analysis and valuation outcomes in written format.

COURSE OUTLINE

ASSESSMENT DETAILS

This course has 4 assessments. Each assessment is described in more detail in the sections below:

	Assessment Name	Due Date	Involvement	Weighting	Learning Outcomes
1	Weekly Tests	Weeks 1-5, Week 7, Weeks 9-12	Individual	15%	1, 3, 4
2	Mid Semester Quiz	In Class – Week 6	Individual	15%	1, 3
3	Group Assignment Report	Friday – Week 12 at 5:00 pm	Group	20%	1, 2, 3, 4, 5
4	Final Examination	Formal Exam Period	Individual	50%	4

Please note: students are advised that all assessments must be submitted in English. Assessment items not submitted in English will receive a mark of zero.

Results of individual assessment items and final results, including those provided via the Learning Management System (LMS) are 'unofficial results' until they are confirmed as finalised by the School Assessment Body and the Head of School or delegate. Finalised results are released directly to students on the Fully Graded Date of the relevant Semester/Trimester.

Time referenced is time in Newcastle NSW

Late Submissions	The mark for an assessment item submitted after the designated time on the due date, without an approved extension of time, will be reduced by 10% of the possible maximum mark for that assessment item for each day or part day that the assessment item is late. Note: this applies equally to week and weekend days.
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Assessment 1 – Weekly Tests

Assessment Type	In Term Test
Purpose	These tests examine student understanding of lecture topics each week and provide instant feedback on student performance.
Description	Completing online quiz questions on CANVAS.
Weighting	15% (5% in total for Week 1-5 tests, 10% in total for Week 7 and Week 9-12 tests)
Length	15 to 30 min approx.
Due Date	Weeks 1-5, Week 7, Weeks 9-12 Sunday by 11:59 pm
Submission Method	Online
Assessment Criteria	The following criteria will be used: <ul style="list-style-type: none"> • Demonstrate a knowledge and understanding of lecture topics each week
Return Method	Online via course CANVAS site
Feedback Provided	Online via course CANVAS site

Assessment 2 - Mid Semester Quiz

Assessment Type	Quiz
Purpose	The mid-term quiz examines student understanding of various financial statement analysis techniques including accounting analysis and financial analysis.
Description	Completing multiple-choice questions & short-answer questions for topics from weeks 1-5.
Weighting	15%
Length	90 minutes
Due Date	In Class – Week 6
Submission Method	In Class
Assessment Criteria	The following three (3) criteria will be used: <ul style="list-style-type: none"> • Demonstrate a knowledge and understanding of business analysis; • Demonstrate the accurate application of various financial statement analysis tools; • Display analytical and problem-solving skills in the context financial statement analysis.
Return Method	Not Returned
Feedback Provided	Online via course CANVAS site

Assessment 3 - Group Assignment Report

Assessment Type	Written Assignment
Purpose	This assignment will help students to develop critical thinking and evaluation skills and examine students' communication skills in written format.
Description	Students are required to write a sell-side analyst report for a listed Australian company. The assignment involves financial statement analysis using various valuation tools discussed in the course. The project should be undertaken in groups of three or four. Detailed information will be released on CANVAS later. Suggestions for managing group conflict and the evaluation of individual performances within the group can be found on CANVAS.
Weighting	20%
Length	3000 words – approx.
Due Date	Friday – Week 12 at 5:00 pm
Submission Method	Online - Students must submit an electronic copy through Turnitin with a completed coversheet.
Assessment Criteria	The following four (4) criteria will be used: <ul style="list-style-type: none"> • Application of financial statement analysis tools. • Justification of analysis and forecasting results. • Clarity of expression. • Critical thinking and problem-solving skills
Return Method	Online – via course CANVAS site
Feedback Provided	Written feedback via CANVAS

Assessment 4 - Final Examination

Assessment Type	Formal Examination
Purpose	The formal exam tests the student's capacity to consolidate and apply financial statement analysis knowledge and skills to contextual problems
Description	Completing short-answer questions & contextual questions for all topics covered in the course. This course has a RESTRICTED OPEN BOOK examination. A memory aid is permitted. The memory aid is a single double sided A4 sheet of handwritten or typed notes for use during the examination. Note: memory aids must be left on the examination table and cannot be removed from the examination venue.
Weighting	50%
Length	120 minutes
Due Date	Formal Exam Period
Submission Method	Formal Examination
Assessment Criteria	The following five (5) criteria will be used to assess your performance in the final exam: <ul style="list-style-type: none"> • Demonstrated understanding of theory and relevant concepts; • Demonstrated ability to solve problems; • Accuracy of information/argument; • Clarity of expression; and • Relevance of the answer to the question.
Return Method	Not Returned
Feedback Provided	No Feedback. Examination scripts will not be returned to students. Final examination scripts will be made available for review by students, upon request, in a controlled and monitored setting. Students are required to make requests, directly to the relevant course coordinator. Completed examination scripts are kept by the Newcastle Business School for a period of six (6) months only, from the relevant fully graded date. Requests made after the six (6) month period cannot be considered.

SYLLABUS

Course Content

Topics in the course include but are not limited to the following:

1. Business analysis using financial statements
2. Accounting analysis
3. Financial analysis
4. Forecasting
5. Equity valuation

Course Materials

Required Text:

Palepu, Healy, Wright, Bradbury and Coulton (2021), *Business Analysis and Valuation: Using Financial Statements Third Asia Pacific Edition*. Australia: Cengage Learning.

ISBN: 9780170425186 (paperback); 9780170450782 (ebook)

Please refer to the course CANVAS site for details of additional recommended texts.

SCHEDULE

Week	Topic	Class Preparation	Assignment Due
1	A framework for business analysis and valuation	NOTE: Refer to CANVAS for detailed learning activities Chapter 1	Weekly Test
2	Strategy analysis	Chapter 2	Weekly Test
3	Accounting analysis	Chapters 3 & 4	Weekly Test
4	Financial analysis I	Chapter 5	Weekly Test Group Formations due
5	Financial analysis II	Chapter 5	Weekly Test
6	Mid-Semester quiz		Mid Semester Quiz – in class – Week 6
7	Forecasting I	Chapter 6	Weekly Test
8	Forecasting II	Chapter 6	
9	Valuation theory and concepts I	Chapter 7	Weekly Test
10	Valuation theory and concepts II	Chapter 7	Weekly Test
11	Valuation implementation	Chapter 8	Weekly Test
12	Equity analysis Mergers and Acquisitions	Chapter 9 & 11	Weekly Test Group Assignment Report due: Friday – Week 12 by 5:00 pm
13	Course Review		

If a lecture/class is scheduled on a public holiday, a make-up lecture may be announced by the course coordinator on the course CANVAS site.

CONTACTS

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PSB Academy Enquiries

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ADDITIONAL INFORMATION

Grading Scheme

This course is graded as follows:

Range of Marks	Grade	Description
85-100	High Distinction (HD)	Outstanding standard indicating comprehensive knowledge and understanding of the relevant materials; demonstration of an outstanding level of academic achievement; mastery of skills*; and achievement of all assessment objectives.
75-84	Distinction (D)	Excellent standard indicating a very high level of knowledge and understanding of the relevant materials; demonstration of a very high level of academic ability; sound development of skills*; and achievement of all assessment objectives.
65-74	Credit (C)	Good standard indicating a high level of knowledge and understanding of the relevant materials; demonstration of a high level of academic achievement; reasonable development of skills*; and achievement of all learning outcomes.
50-64	Pass (P)	Satisfactory standard indicating an adequate knowledge and understanding of the relevant materials; demonstration of an adequate level of academic achievement; satisfactory development of skills*; and achievement of all learning outcomes.
0-49	Fail (FF)	Failure to satisfactorily achieve learning outcomes. If all compulsory course components are not completed the mark will be zero. A fail grade may also be awarded following disciplinary action.

*Skills are those identified for the purposes of assessment task(s).

Communication Methods	Communication methods used in this course include: <ul style="list-style-type: none"> - CANVAS Course Site: Students will receive communications via the posting of content or announcements on the CANVAS course site. - Email: Students will receive communications via their student email account. - Face to Face: Communication will be provided via face to face meetings or supervision.
Course Evaluation	Each year feedback is sought from students and other stakeholders about the courses offered in the University for the purposes of identifying areas of excellence and potential improvement.
Oral Interviews (Vivas)	As part of the evaluation process of any assessment item in this course an oral examination (viva) may be conducted. The purpose of the oral examination is to verify the authorship of the material submitted in response to the assessment task. The oral examination will be conducted in accordance with the principles set out in the Oral Examination (viva) Procedure . In cases where the oral examination reveals the assessment item may not be the student's own work the case will be dealt with under the Student Conduct Rule .
Academic Misconduct	All students are required to meet the academic integrity standards of the University. These standards reinforce the importance of integrity and honesty in an academic environment. Academic Integrity policies apply to all students of the University in all modes of study and in all locations. For the Student Academic Integrity Policy, refer to https://policies.newcastle.edu.au/document/view-current.php?id=35 .
Adverse Circumstances	The University acknowledges the right of students to seek consideration for the impact of allowable adverse circumstances that may affect their performance in assessment item(s). Applications for special consideration due to adverse circumstances will be made using the online Adverse Circumstances system where: <ol style="list-style-type: none"> 1. the assessment item is a major assessment item; or 2. the assessment item is a minor assessment item and the Course Co-ordinator has specified in the Course Outline that students may apply the online Adverse Circumstances system; 3. you are requesting a change of placement; or 4. the course has a compulsory attendance requirement. Before applying you must refer to the Adverse Circumstances Affecting Assessment Items Procedure available at: https://policies.newcastle.edu.au/document/view-current.php?id=236
Important Policy Information	The Help button in the Canvas Navigation menu contains helpful information for using the Learning Management System. Students should familiarise themselves with the policies and procedures at https://www.newcastle.edu.au/current-students/no-room-for/policies-and-procedures that support a safe and respectful environment at the University.

This course outline was approved by the Head of School. No alteration of this course outline is permitted without Head of School approval. If a change is approved, students will be notified and an amended course outline will be provided in the same manner as the original.

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