



BAKER COLLEGE
STUDENT LEARNING OUTCOMES

FIN4710 Financial Statement Analysis
3 Semester Credit Hours

Student Learning Outcomes and Enabling Objectives

1. Analyze financial statements using ratio and trend analysis.
 - a. Determine what the numbers of the financial ratios are revealing.
 - b. Explore numerous years of the same financial data for the purpose of establishing trends.
 - c. Compare the ratios and trend results of a corporation to others in the industry.
2. Perform a profitability analysis to interpret effectiveness and efficiencies in financial performance leading to analyst valuations of a corporation.
 - a. Recognize who uses company valuations and how an analyst places a value on a company.
 - b. Use the DuPont Analysis model to evaluate the return on assets, return on equity, productivity, and profitability.
3. Evaluate the individual sections of the Balance Sheet related to asset recognition, liquidity, debt management, operating assets, and capital structure breakdown.
 - a. Explore how financial information related to the use of credit, repayments risks, and duration of current debt helps lenders make lending decisions.
 - b. Examine valuation models related to the cost of capital to reveal the optimal capital structure, intrinsic value, and various types of risk.
 - c. Review key Balance Sheet components and tools for analysis.
 - i. Inventory
 - ii. Cash conversion cycle
 - iii. Long-term assets
 - iv. Long-term debt
4. Evaluate the individual sections of the Income Statement related to revenue recognition, expense management, and operating income results.
 - a. Analyze a company's revenue recognition process and results.
 - b. Analyze a company's expense management process and results.
 - c. Examine operating profits or losses in terms of sustainable growth versus the possibility of discontinued operations.
5. Demonstrate forecasting of financial statement results.

- a. Forecast a projected Balance Sheet for multiple years.
- b. Forecast a projected Income Statement for multiple years.

Big Ideas and Essential Questions

Big Ideas

- Financial Ratios & Trend Analysis
- Valuations
- Asset Recognition
- Liability Recognition
- Equity Recognition
- Revenue/Expense Recognition
- Financial Statement Forecasting

Essential Questions

1. When analyzing financial ratios what do the ratios tell us?
2. Why is it important to consider trend analysis in a financial review?
3. What are the differences between valuation models?
4. How does asset recognition explain the return on asset utilization?
5. How does liability recognition explain the use of credit effectively?
6. How does equity recognition
7. How does revenue/expense recognition explain the results of operating income?
8. What is the importance of financial statement forecasting?

These SLOs are not approved for experiential credit.

Effective: Summer 2021