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| Course Title | Financial Statement Analysis and Valuation |
| Course Code  | EBC4039                                    |
| ECTS Credits | 6,5  |
| Assessment   | Whole/Half Grades                          |

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| Level                   | Advanced  |
| Coordinator             | Patrick Vorst For more information: <a href="mailto:p.vorst@maastrichtuniversity.nl">p.vorst@maastrichtuniversity.nl</a>  |
| Language of instruction | English   |
| Goals                   | <p>analysing firms' accounting choices, identifying distortions to the financial statements, and undoing such distortions</p> <p>analysing financial statements in the context of firms' stated goals and strategy</p> <p>preparing prospective financial statements, assessing the value of firms, and understanding differences in the usefulness of various valuation methods</p> <p>applying financial analysis tools in credit analyses and analyses of mergers and acquisitions</p>   |
| Description             | <p>The objective of this course is to understand the relevance of financial statement information to investors, creditors, financial analysts, managers, and other parties with an interest in the firm. Financial statements contain valuable information for a wide range of decision-making contexts. Financial statements thus play a crucial role in the functioning of capital markets and the efficient allocation of resources in the economy. Financial statement analysis skills are, therefore, of crucial importance to read, compare, and interpret recorded financial data and determining the health and future prospects of a company. This course teaches you the language of financial analysis and firm valuation. You will learn how to evaluate the quality and usefulness of a firm's financial statement information and you will learn how to undo distortions in low-quality financial statements, thereby creating financial statements that are more relevant. You will further learn how to use (the information in) the financial statements to critically evaluate the drivers of a firm's financial performance, forecast future firm performance, and ultimately determine an expected value of the firm and/or the firm's shares. In doing so, we will discuss various approaches to forecasting and valuation used by for example (sell-side) analysts and investment bankers. Finally, we will have a look at specific applications of financial statement analysis in for example an M&amp;A setting.</p> |
| Literature              | Palepu, Healy & Peek – Business Analysis and Valuation – IFRS Edition (4th edition) Cengage 2016,   |
| Prerequisites           | 'Students are expected to have sufficient knowledge of financial accounting (e.g., at the level of an intermediate accounting course). Further student should have a basic understanding of (corporate) finance. Exchange students need to have obtained a bachelor degree with a major in business.'   |

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| Teaching methods  | PBL / Presentation / Lecture / Assignment / Groupwork   |   |
| Assessment methods  | Participation / Written Exam / Assignment / Presentation  |   |
| Evaluation in previous academic year                            | For the complete evaluation of this course please click <a href="http://iwio-sbe.maastrichtuniversity.nl/rapporten.asp?referrer=codeUM">http://iwio-sbe.maastrichtuniversity.nl/rapporten.asp?referrer=codeUM</a> |   |
| This course belongs to the following programme / specialisation | Master Business Research - No specialisation  | Year 1 Disc - IB Accountancy            |
|   | Master Business Research - No specialisation  | Year 1 Disc - IB Accounting and Control |
|   | Master Business Research - Operations Research  | Year 1 Elective Course(s)               |
|   | Master Business Research - Operations Research  | Year 2 Elective Course(s)               |
|   | Master International Business - Accountancy   | Compulsory Course(s)                    |
|   | Master International Business - Accounting & Control (parttime/NL)  | Compulsory Course(s)                    |
|   | Master International Business - Controlling   | Elective Course(s)                      |
|   | Master International Business - Entrepreneurship and SME Management   | Elective Course(s)                      |
|   | Master International Business - Organisation: Management, Change and Consultancy  | Elective Course(s)                      |
|   | Master International Business - Strategic Corporate Finance   | Elective Course(s)                      |
|   | Master International Business - Strategy and Innovation   | Elective Course(s)                      |
|   | Master International Business - Sustainable Finance   | Elective Course(s)                      |
|   | SBE Exchange Master   | Master Exchange Courses                 |
| SBE Non Degree Courses  | Master Courses  |   |