

Techniques in Financial Analysis (FIN113)

Transitioning students, who have completed Financial Analysis and Valuation (C2) within the course completion time frames, will receive recognition of prior learning for an exemption into Techniques in Financial Analysis (FIN113) and are not required to complete this subject.

Note: students should not complete both C2 and FIN113 as only one will contribute to course completion.

Overview

This unit introduces students to the fundamentals of financial analysis of company financial statements and the various techniques, including mathematical calculations.

This subject is developed and maintained by a Task Force made up of experienced industry practitioners. [Click here to read their profiles.](#)

Learning Outcomes

At the completion of this unit, students should be able to:

- Explain the concepts of simple and compound interest and discounting, and calculate interest rates for different time periods.
- Demonstrate how a loan may be repaid by regular installments of interest and capital.
- Explain accounting frameworks and concepts and the components of financial statements.
- Identify and discuss the financial structure of corporations and the needs of their stakeholders.
- Explain dividend imputation and calculate the return to shareholders from franked dividends.
- Calculate key financial ratios and assess a company's performance using its financial statements.

Delivery Method

The primary method of delivery for this subject is distance education supported by comprehensive print, lecture and online resources. Students will have access to an online subject room where a range of resources may be available. These include Discussion Forums, online applications, downloadable audio lectures, and further resources.

Student assessment

Assessment Type	Assessed	Weighting
Examination – paper-based, closed book	Week 6	50%
Assignment	Week 11	50%

Pre-requisites

There are no pre-requisites for this subject

Unit content and structure

Week	Topic
1	Topic 1: Basic concepts – Interest rates and loan repayments
1	Topic 2: Basic concepts – Bonds
2	Topic 3: Introducing financial analysis and valuation
3	Topic 4: Understanding the annual report I
4	Topic 5: Understanding the annual report II
5	Topic 6: Financing of Corporations
5	Topic 7: Dividend imputation
7	Topic 8: Corporate Accounts – working capital
8	Topic 9: Corporate Accounts – profitability ratios
9-10	Topic 10: Corporate Accounts – market performance ratios
10	Topic 11: Analysts' Reports

Workload

Students in this subject would be expected to undertake between 10–11 hours of student effort per week. The grid below indicates the types of activities that students would undertake during the trimester.

Learning activity	Time allocated
Course notes, text book reading and additional reading	40
e-learning activities, subject room learning resources	20
Timetabled lectures and review	20
Assessment preparation	40
Total hours	120

Reading List

The following list of references provides the student with key and additional reading material. In some cases students may be required to access certain texts. This information will be made available upon enrolment.

Additional readings:

Knox, D, Zima, P & Brown, RL 2006, *Mathematics of finance*, 2nd ed., McGraw-Hill. ISBN 9780074705537

Hey -Cunningham, D 2006, *Financial statements demystified*, 4th ed., Allen & Unwin. ISBN 9781741148213

Tracy, JA 2009 *How to read a financial report*, 7^h ed., John Wiley & Sons. ISBN 9780470405307

Frino, A et al 2009, *Introduction to corporate finance*, 4th ed, Pearson Education. ISBN 9781442501744

