

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

Learning Outcomes

At the completion of this subject students should be able to:

- Explain the concepts of simple/compound interest and discounting, and demonstrate how a loan may be repaid by regular instalments 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 a company's working capital, profitability and market performance ratios using its annual report.
- Assess the company's performance using the results of the financial ratios calculated.

Subject content

- Basic concepts – Interest rates and loan repayments
- Basic concepts – annuities
- Introducing financial analysis and valuation
- Understanding the annual report I
- Understanding the annual report II
- Financing of Corporations
- Dividend imputation
- Corporate Accounts – working capital ratios
- Corporate Accounts – profitability ratios
- Corporate Accounts – market performance ratios
- Analysts' Reports

Assessment

Assessment Type	Assessed	Weighting
Examination	Week 6	50%
Assignment	Week 12	50%

Task Force profile

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

Delivery Method

Kaplan's delivery is primarily through distance education, supported by comprehensive print and online resources. Students will have access to subject notes, pre-recorded lectures, an online subject room, practitioner-led Discussion Forums, online exercises, library and further resources.

Pre-requisites

There are no prerequisites for this subject

Workload

This subject requires approximately 120 hours of student effort (11-12 hours per week). This includes time spent on activities such as: Reading and review of course notes and other reading material, attending to or listening to live or pre-recorded lectures, participating in e-learning activities, and assessment preparation and review.

Reading List

The following list of references provides the student with key and additional reading material.

Prescribed text:

There are no prescribed texts for this subject

Additional readings:

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

Steiner, R 2007 *Mastering financial calculations: a step-by-step guide to the mathematics of financial market instruments*, 2nd ed, Harlow. ISBN 9780273704447

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