

Course Code	Course Title	L	T	P	C
BHUM227L	Financial Statement Analysis	3	0	0	3
Pre-requisite	NIL	Syllabus version			
		1.0			
Course Objectives					
<ol style="list-style-type: none"> 1. To Provide framework for Financial Statement Analysis 2. To develop a thorough understanding of tools and techniques of Financial Statements 3. To understand the application of tools and techniques in the Financial Statement Analysis. 					
Course Outcomes					
Upon successful completion of the Course the students will be able to					
<ol style="list-style-type: none"> 1. Understand role and purpose of Financial Statement Analysis 2. Apply various tool and techniques to analyze Financial statements 3. Carry out effective Cash Flow Analysis 4. Estimation of Enterprise value 5. Forecast Company's Financial Statements 6. Evaluate Company's Performance using Credit Analysis 					
Module:1	Framework for Financial Statement	5 hours			
Nature and Objectives of Financial Statements - Uses and Limitations of Financial Statements -Types of Financial Statements - Balance Sheet, Income Statement, Cash Flow Statement - Stakeholders of Financial Statements - Financial Reporting - Role of Auditor					
Module:2	Tools and Techniques of Financial Statement Analysis	5 hours			
Ratio Analysis - Profitability ratio, Liquidity ratio, Short - Term and Long - Term Solvency Ratios - Operating and Financial Leverages- EPS and other Ratios used in Valuation – P/E and PB ratio- Dividend Payout Ratio- Application of Ratios to Prepare the Balance Sheet					
Module:3	Cash Flow Analysis and Estimation	6 hours			
Cash Flow Statement - Financing, Investing, and Operating Activities As per AS 3 - Preparation of the Cash Flow Statement - Earnings before Interest and Taxes (EBIT), - EBITDA and Total Enterprise Value					
Module:4	Inter Corporate Transactions	6 hours			
Corporate Investment Category- Minority Passive and Minority Active Investments. Joint Ventures – Controlling Interest Investments – Pooling of Interest – Impact of Pooling – Consolidated Financial Statements – Goodwill- Goodwill Impairment-Specil Purpose of Entity -Securitization of Assets.					
Module:5	Forecasting Financial Statements	7 hours			
A Typical One -Year Projection - Sensitivity Analysis with Projected Financial Statements - Projecting Financial Flexibility - Pro Forma Financial Statements - Multiyear Projections					
Module:6	Credit Analysis	7 hours			
Meaning of Credit Risk – Importance and Limitations-7 C' of Credit Worthiness					

Analysis- Credit Rating Process - Combination Ratios - Ratios Relating to Credit Risk			
Module:7	Equity Analysis	7 hours	
The Dividend Discount Model - The Price-Earnings Ratio - The Du Pont Formula - Valuation Through Restructuring Potential			
Module:8	Contemporary Issues	2 hours	
Total Lecture hours			45 hours
Text Book(s)			
1.	Martin S. Fridson (Author), Fernando Alvarez (2022), Financial Statement Analysis: A Practitioner's Guide, Wiley Finance		
2.	Gerald I. White, Ashwinpaul C. Sondhi, and Haim D. Fried.3e The Analysis and Use of Financial Statements, Wiley Publication		
3.	P. C. Tulsian, CA Bharat Tulsian, Tushar Tulsian (2022), Analysis of Financial Statements, Tcom Prints		
Reference Books			
1.	K. R. Subramanyam, (2020), Financial statement analysis, Published by McGraw-Hill Education, New York.		
2.	Sandeep Goel (2014), Financial statement analysis, Publisher: Routledge Taylor & Francis Group.		
3.	Robinson, Greuning, Henry, and Broihahn (2009) International Financial Statement Analysis. Published by John Wiley & Sons, Inc., Hoboken, New Jersey.		
Mode of Evaluation: CAT / Assignment / Quiz / Seminar / FAT			
Recommended by Board of Studies		06-03-2023	
Approved by Academic Council		No. 69	Date 16-03-2023