



FIN561

Financial Statement Analysis

Module 4, 2025-2026

Course Information

Instructor: Naqiong Tong

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Office Hour: Monday 1:00-4:00pm

Teaching Assistant:

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Classes:

Lectures: Monday/Thursday 10:30am-12:20 pm

Venue: PHBS Building, Room 231

1. Course Description

1.1 Context

Course overview: This course provides overall framework of financial statement analysis, including the understanding of elements of financial statements, the connections between elements such as assets, liabilities, equities, revenues, expenses, incomes and the relation between the earnings and the values of firms.

Prerequisites: Financial Accounting

1.2 Textbooks and Reading Materials

Required textbook:

Financial Reporting, Financial Statement Analysis, and Valuation: A Strategic Perspective, 7th Edition by Wahlen/Baginski/Bradshaw

2. Learning Outcomes

2.1 Intended Learning Outcomes

Learning Goals	Objectives	Assessment
1. Our graduates will be effective communicators.	1.1. Our students will produce quality business and research-oriented documents.	Y
	1.2. Students are able to professionally present their ideas and also logically explain and defend their argument.	Y
2. Our graduates will be skilled in team work and leadership.	2.1. Students will be able to lead and participate in group for projects, discussion, and presentation.	Y

	2.2. Students will be able to apply leadership theories and related skills.	Y
3. Our graduates will be trained in ethics.	3.1. In a case setting, students will use appropriate techniques to analyse business problems and identify the ethical aspects, provide a solution and defend it.	Y
	3.2. Our students will practice ethics in the duration of the program.	Y
4. Our graduates will have a global perspective.	4.1. Students will have an international exposure.	Y
5. Our graduates will be skilled in problem-solving and critical thinking.	5.1. Our students will have a good understanding of fundamental theories in their fields.	Y
	5.2. Our students will be prepared to face problems in various business settings and find solutions.	Y
	5.3. Our students will demonstrate competency in critical thinking.	Y

2.2 Course specific objectives

The perspective and main focus of this course are not for the accountants who prepare financial reports, but rather for the users of the information contained in them: mostly investors and the financial analysts who serve them, creditors and, to some extent, management. This course discusses U.S generally accepted accounting principles [GAAP] underlying the financial statements, their implementation in practice and various valuation models used by analysts for firms valuations. Note is also made of the limitations of financial reports, their evolution in response to changing business conditions, current accounting controversies and the constraints that limit the freedom and influence the course of action of rule makers and regulators.

2.3 Assessment/Grading Details

How to Succeed in This Class:

There is a considerable amount of material covered in this course. To do well in this course it is essential that you: (1) attend class regularly, (2) complete assignments, and (3) prepare for the exams and group projects. It's critical that you struggle with the details of assigned problems. It is essential that you stay current with all readings and assignments.

Grades will be based on the following weights:

Attendance and Participation	20%
Homework	30%
Team Project	20%
Quiz	30%
Total	100%

Requirement Descriptions and Directions:

1. Attendance and Participation (20%)

Because of the complexity of the material and pace of the class, it is imperative that you attend every class. Laptop and cell phone use are not allowed in the classroom. If you have to miss a class, please notify me in advance through email, call or your classmates. If a class has to be cancelled due to an emergency, I will attempt to notify you by e-mail or phone. If you miss a class it is your responsibility to keep yourself apprised of what occurred during your absence.

2. Homework Assignments (30%)

The homework assignments will emphasize the comprehension of these principles and concepts, problem solving, and applications to business situations. Each homework is due before the class start review and if the assignment is handed late than the due date, then it is not graded, hence no points.

3. Quiz (30%)

Two Quiz will be tested. Quiz 1 covers chapter 1-5. Quiz 2 covers Chapters 6-9. The formats of the exams are multiplying questions and problem solving issues.

4. Group Project (20%)

One class project will be assigned to each team. The purpose of the class project is to provide

students real world situations to apply the course concepts in understanding and analysing financial statement and learn skills related to team work. Each team should be composed of ? students and the grading of the project is based on both the project and the presentation.

2.4 Academic Honesty and Plagiarism

It is important for a student's effort and credit to be recognized through class assessment. Credits earned for a student work due to efforts done by others are clearly unfair. Deliberate dishonesty is considered academic misconducts, which include plagiarism; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; or altering, forging, or misusing a University academic record; or fabricating or falsifying of data, research procedures, or data analysis. All assessments are subject to academic misconduct check. Misconduct check may include reproducing the assessment, providing a copy to another member of faculty, and/or communicate a copy of this assignment to the PHBS Discipline Committee. A suspected plagiarized document/assignment submitted to a plagiarism checking service may be kept in its database for future reference purpose. Where violation is suspected, penalties will be implemented. The penalties for academic misconduct may include: deduction of honour points, a mark of zero on the assessment, a fail grade for the whole course, and reference of the matter to the Peking University Registrar.

AI tools requirements:

Using AI tools to complete assignments or assessments without the approval of the course instructor will be regarded as an act of academic dishonesty. Depending on the severity of the situation, penalties will be implemented in accordance with the provisions of the Peking University Graduate Student Handbook. For more information of plagiarism, please refer to *PHBS Student Handbook*.

Topics, Teaching and Assessment Schedule

Class Schedule and Homework Assignments

Date	Topic	Assignment
5.7	1. Overview of Financial Reporting, Financial Statement Analysis, and Valuation	Copy down Balance Sheet and Income Statement
5.9	1. Overview of Financial Reporting, Financial Statement Analysis, and Valuation	
5.11	2. Asset and Liability Valuation and Income Measurement	2.4 2.5
5.14	3. Income Flows versus Cash Flows: Key Relationships in the Dynamics of a Business	3.6, 3.7, 3.8
5.18	4. Profitability Analysis	4. 6 4.7. 4.8. 4.9 4.14.a.d. 4.15 a
5.21	5. Risk Analysis	
5.25	5. Risk Analysis and First Quiz review	5.16
5.28	Quiz #1 and Ch.06	
6.1	6. Quality of Accounting Information	
6.4	7. Revenue Recognition and Related Expenses	7.13a.b. 7.14 a,b 7.15 a,b
6.8	8. Liability Recognition and Related Expenses	8.13 a,b,c,d
6.11	9. Intercorporate Entities	9.10a
6.15	9. Intercorporate Entities	
6.18	10. Forecasting	
6.22	Quiz # 2 and discussion	
6.29	Fraud and Internal Controls	
7.2	Group Presentation	