

FINANCIAL REPORTING & ANALYSIS

IE University

Professor: **RALUCA VALERIA RATIU**

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Degree course:

SECONDSemester: 2º

Category: **COMPULSORY**

Number of credits: 5.0

Language: English

PREREQUISITES

Students are expected to have taken basic courses in Financial Accounting and Cost Accounting.

SUBJECT DESCRIPTION

Financial accounting is the process of recording, summarizing and reporting the transactions of a business, in order to provide an accurate picture of its financial position and performance. The primary objective of financial accounting is the preparation and analysis of financial statements. Interpreting financial reports correctly is fundamental for successful planning and investing. This course provides a comprehensive introduction to the interpretation and analysis of financial statements and illustrates how financial reports can be used to assess the performance of a business, make better investment decisions and improve planning. The course will focus on the use of accounting as a tool for decision making and problem solving through the use of analytical, creative and critical thinking.

OBJECTIVES AND SKILLS

The course provides a framework for decision-making and financial planning that should help future managers assess and monitor the performance of business operations, evaluate alternatives, plan accordingly and gauge the impact of their decisions on the different stakeholders. The objective of this course is not to train you to become an accountant but rather to help you become a proficient user of financial statement information. Learning how business activities impact financial statements will give you opportunities to learn and think about the business activities, themselves. Emphasis will be placed on:

- the links between the income statement, balance sheet and statement of cash flows
- analyzing and interpreting financial statements, and understanding the business behind the numbers
- evaluating/challenging the assumptions, and understanding short-term and long-term financial needs.

METHODOLOGY

This 25-session course (midterm and final exams included) will be held over a 3-month-period, from January 2021 through March 2021.

The course combines lectures and practical sessions. Preparation (reading/studying materials and completing assignments) is key for a productive discussion and a successful learning experience.

Teaching methodology	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	13.6 %	17 hours
Discussions	12.0 %	15 hours
Exercises	12.0 %	15 hours
Group work	12.0 %	15 hours
Other individual studying	50.4 %	63 hours
TOTAL	100.0 %	125 hours

EVALUATION CRITERIA

Criteria	Percentage	Comments
Final Exam	45 %	
Midterm Exam	30 %	
Group Presentation	10 %	
Class Participation	15 %	

FINAL EXAM

The final exam will cover all the course content. The minimum grade for final exam is 4 out of 10.

MIDTERM EXAM

The midterm exam will cover the material specified in the part of the course correspondent to the midterm- sessions 1 through 13.

GROUP ASSIGNMENT

The group assignment will require students to complete an analysis project that will be uploaded and discussed by the class.

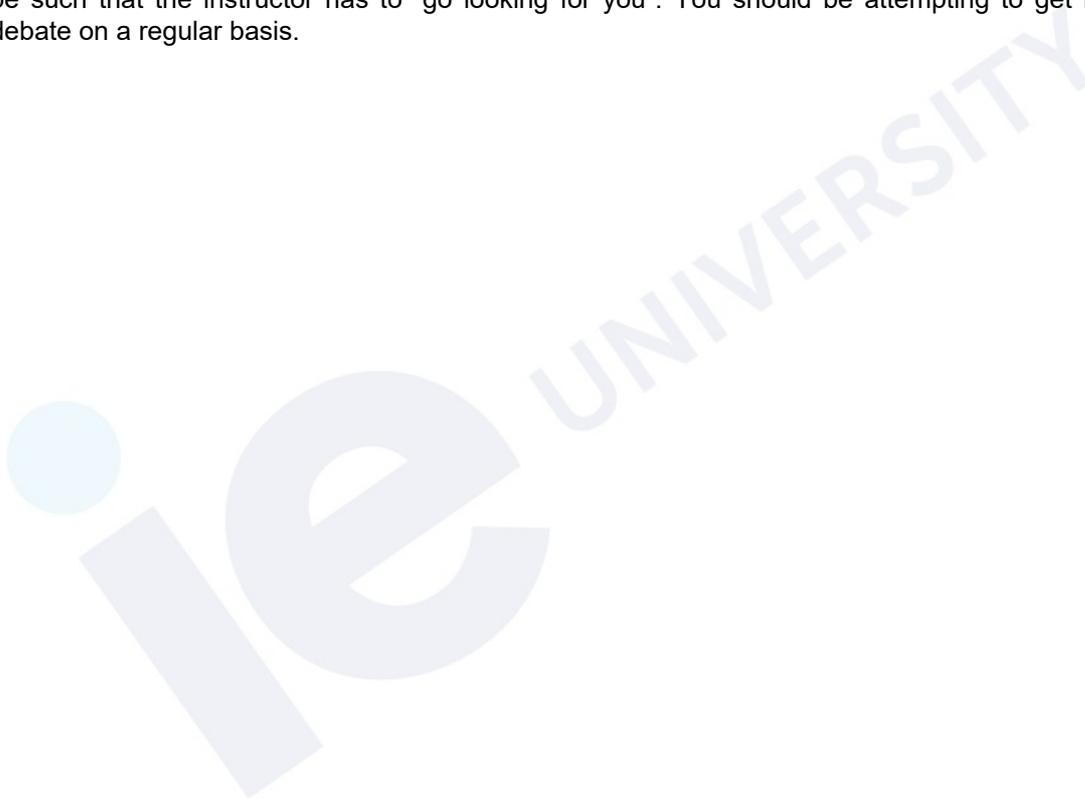
CLASS PARTICIPATION

Three main criteria will be used in reaching judgment about your class participation:

·Depth and Quality of Contribution: The most important dimension of participation concerns what it is that you are saying. A high quality comment reveals depth of insight, rigorous use of case evidence, consistency of argument, and realism.

·Moving Your Peers' Understanding Forward: Great ideas can be lost through poor presentation. A high quality presentation of ideas must consider the relevance and timing of comments, and the flow and content of the ensuing class discussion. It demands comments that are concise and clear, and that are conveyed with a spirit of involvement in the discussion at hand.

·Frequency: Frequency refers to the attainment of a threshold quantity of contributions that is sufficient for making a reliable assessment of comment quality. The logic is simple: if contributions are too few, one cannot reliably assess the quality of your remarks. However, once threshold quantity has been achieved, simply increasing the number of times you talk does not automatically improve your evaluation. Beyond the threshold, it is the quality of your comments that must improve. In particular, one must be especially careful that in claiming more than a fair share of "airtime", quality is not sacrificed for quantity. Finally, your attempts at participation should not be such that the instructor has to "go looking for you". You should be attempting to get into the debate on a regular basis.



PROFESSOR BIO

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Professor Raluca Ratiu, PhD

- PhD in Accounting, Magna cum Laude, Babes-Bolyai University, 2013
- Master in Audit and Accounting Convergence, Babes-Bolyai University, 2010
- BSc in Finance and Banking, Babes-Bolyai University, 2007
- Global Colloquium on Participant-Centered Learning, Harvard Business School, 2018
- Case Writing Workshop, Harvard Business School, 2019

Professor Raluca Ratiu graduated with a PhD in Accounting from Babes-Bolyai University in Transylvania, Romania. Following her PhD she was a visiting scholar at the University of Valencia during a postdoctoral research program. Her research mainly focuses on intangible assets, insider trading and capital markets and was published in top accounting journals such as Accounting and Finance and Abacus. Recently she was a visiting scholar at University of Queensland Business School, Australia. Previously to academia, she worked in Bucharest, Romania, as an accountant at one of the top telecom players, Orange, and took on responsibilities in both local accounting and IFRS reporting to the group.

OTHER INFORMATION

Contact me at raluca.ratiu@ie.edu.

Office hours will be on request, online via ZOOM.