

	<u>Subject title:</u> <b>FINANCIAL ANALYSIS</b>			
<u>Subject code:</u>	<u>Subject Status:</u>	<u>Semester:</u>	<u>Credit value:</u>	<u>Teaching load:</u>
T03	Compulsory	VI	5	2L+3T

<u>Study programme:</u> Academic Undergraduate Studies: Financial Management
<u>Responsible Staff:</u> Assistant Professor Radislav Jovović
<u>Pre-requisite:</u> Nil
<u>Mode of study</u> Lectures, tutorials, seminar papers, consultations
<u>Assessment:</u> Written: 2 mid-term tests = 40 points Oral: Final exam = 50 points Attendance, Seminar paper = 10 points
<u>Objectives:</u> To provide students with necessary knowledge and skills required for the analysis and interpretation of financial information: analysis of balance sheet, income statement and financial indicators calculation, which are categorized as indicators of liquidity, financial leverage, coverage and profitability. A special focus will also be given to financial flows.

### **SYLLABUS:**

- Introduction to financial analysis. Short background of financial reporting.
- Types of financial statements.
- Components of financial statements.
- Fundamental analysis of the income statement.
- Cost analysis in the income statement.
- Balance sheet analysis – assets.
- Balance sheet analysis – liabilities.
- Profitability threshold analysis
- Use of financial ratios in financial statements analysis
- Cash flows – basic concepts and understanding
- Development and analysis of cash flow plan
- Development and analysis of pro forma financial statements
- Analysis of economic flow
- Credit analysis. Application of financial analysis in practice

### **READING LIST AND REFERENCES:**

George E. Ruth: *Analyzing Financial Statements*, American Bankers Association, 1998.