

Degree	Type	Year
Business Administration and Management	OB	3

## Contact

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## Teachers

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## Teaching groups languages

You can view this information at the [end](#) of this document.

## Prerequisites

To make the most of the content provided is advised to have successfully passed Introduction to Accounting, Cost Accounting and Financial Accounting, which provide the required knowledge to follow the activities fluently as per professional knowledge. Also, a basic Excel knowledge is required.

## Objectives and Contextualisation

Background:

This module is a mandatory six-credit ECTS subject for the UAB *Business Administration* degree and *Economics* degree taught in the second semester of the third year.

Objectives:

The objective of this subject is to teach the financial statements of the firms: balance sheet, income statement, annual report, the changes in equity, and cash flows statements.

The teaching of analysis tools and techniques will allow the analysis of the financial statements to report the firms' past financial and economic situation (solvency and profitability). Additionally, to understand the company's future evolution and make decisions about the current situation. To develop critical thinking and to acquire professional skills.

The methodology consists of analysing companies' financial statements. Therefore, solid previous theoretical knowledge of the accounting financial statements is essential. It is a requirement to work constantly since this module is based on progressive knowledge.

## Competences

- Act with ethical responsibility and respect for fundamental rights and duties, diversity and democratic values.
- Capacity for independent learning in the future, gaining more profound knowledge of previous areas or learning new topics.
- Capacity for oral and written communication in Catalan, Spanish and English, which enables synthesis and oral and written presentation of the work carried out.
- Demonstrate initiative and work individually when the situation requires it.
- Evaluate the usefulness of accounting information for decision-making of different users.
- Generate and transmit the appropriate accounting information at all times to the information needs of different users.
- Organise the work in terms of good time management, organisation and planning.
- Select and generate the information necessary for each problem, analyse it and take decisions based on that information.
- Students must be capable of collecting and interpreting relevant data (usually within their area of study) in order to make statements that reflect social, scientific or ethical relevant issues.
- Take account of social, economic and environmental impacts when operating within one's own area of knowledge.
- Use of the available information technology and adaptation to new technological environments.
- Using accounting information as a tool for assessment and diagnosis.

## Learning Outcomes

1. A capacity of oral and written communication in Catalan, Spanish and English, which allows them to summarise and present the work conducted both orally and in writing.
2. Analyse the indicators of sustainability of academic and professional activities in the areas of knowledge, integrating social, economic and environmental dimensions.
3. Analyze business sectors from the annual accounts.
4. Capacity to continue future learning independently, acquiring further knowledge and exploring new areas of knowledge.
5. Critically analyse the principles, values and procedures that govern the exercise of the profession.
6. Demonstrate ethical behavior in the preparation of financial statements.
7. Demonstrate initiative and work independently when required.
8. Develop accounting information synthesis applying accounting principles and standards, as required.
9. Develop information relating to a system of management accounting.
10. Identify decisions that can be taken through the analysis and interpretation of accounting information.
11. Identify the social, economic and environmental implications of academic and professional activities within the area of your own knowledge.
12. Interpret economic indicators of an entity and its relationship to the profitability and productivity of the same.
13. Interpret financial indicators of an entity and understand the decisions that can be taken from their analysis
14. Know the accounting information systems to support the management and functions of the same in the management of organizations.
15. Make a diagnosis from the economic and financial analysis of an entity
16. Organise work, in terms of good time management and organisation and planning.
17. Recognise the qualitative variables that can influence decision-making based on the financial statements.
18. Register for accounting the economic and financial reality of organizations in accordance with the principles, standards and conventions applicable in each case.

19. Select and generate the information needed for each problem, analyse it and make decisions based on this information.
20. Students must be capable of collecting and interpreting relevant data (usually within their area of study) in order to make statements that reflect social, scientific or ethical relevant issues.
21. Use available information technology and be able to adapt to new technological settings.
22. Using the tools of financial planning and budgeting of an organization

## **Content**

### **TOPIC 1. INTRODUCTION: FINANCIAL INFORMATION AND ANALYSIS OF FINANCIAL STATEMENTS**

1. Concept and usefulness of the analysis of financial statements
2. Business information
  - a. Annual Report
  - b. Sources of business information
3. The role of qualitative information. Risk decision-making
4. Users of business information
5. Limitations of financial reporting

### **TOPIC 2. FINANCIAL STATEMENTS (I)**

1. The balance sheet
  - a. Structure and accounting groups
  - b. Elements of accounting groups. The valuation problem.
  - c. Balance sheet analysis tools: percentages and variation rates
2. The income statement and the result of the period
  - a. Structure and items classification
  - b. Results:
    - i. EBIT, EBITDA and net profit
    - ii. Gross margin and Operating result
  - c. Income statement analysis tools: percentages and rates of variation
3. Notes to the annual report

### **TOPIC 3. FINANCIAL STATEMENTS (II)**

1. The Cash-flow statement
  - a. Aim and requirement
  - b. The classification of cash flows
  - c. Methods: direct and indirect

d. Results for the period and cash for exploitation activities relationship: profit quality

2. The statement of changes in equity

a. Aim and requirements

b. The comprehensive statement of changes in equity

c. The statement of recognised revenues and expenses

3. The management report

4. The audit report

5. The consolidated accounts information

TOPIC 4. ANALYSIS OF LIQUIDITY AND SOLVENCY IN THE SHORT TERM

1. Liquidity Concept

2. Financial positions and financial equilibrium in the short term

3. Working capital and its classification

4. The operations cycle: the operating cycle, and cash conversion cycle

a. Concept

b. The operations cycle: manufacturing versus services company

c. Relation to short-term solvency

5. Liquidity ratios

TOPIC 5. LONG-TERM SOLVENCY ANALYSIS

1. Long-term solvency concept

2. Financial position and equilibrium in the long term

3. Long term solvency analysis

a. Concept of self-financing

b. Guarantee ratio

c. Indebtedness ratios and financial autonomy

d. Solvency analysis using Cash-Flow Statement

TOPIC 6. PROFITABILITY ANALYSIS

1. The economic return (ROA: return on assets)

2. The financial return (ROE: return on equity)

a. Profitability

b. Financial leverage

3. Market reference indicators

a. Net Financial Debt

- b. Equity Value
- c. Enterprise Value
- d. Earnings per share (EPS)
- e. Pay-out and dividend per share (DPS)
- f. Price-to-earnings (PER) ratio
- g. Price-book value (PBV) ratio

#### 4. Benchmarking

- a. External comparables (sector average benchmark)
- b. Full competition range
- c. Use of comparables (interquartile comparables range, OECD)

## Activities and Methodology

Title	Hours	ECTS	Learning Outcomes
Type: Directed			
Lectures	32.5	1.3	3, 14, 6, 8, 9, 15, 10, 12, 13, 20, 17, 18, 22
Problem solving activities	17	0.68	2, 3, 6, 15, 11, 12, 13, 20
Type: Supervised			
Consultation Hours	8	0.32	1, 4, 7, 16, 19, 21
Type: Autonomous			
Assessment activities	8	0.32	5, 3, 1, 14, 7, 6, 8, 9, 15, 10, 12, 13, 16, 20, 17, 18, 19, 22
Independent study	78.5	3.14	3, 1, 4, 14, 7, 6, 8, 9, 15, 10, 12, 13, 16, 17, 18, 19, 22, 21

Lectures and Tutorials are presencial

Theoretical classes: teacher's presentations using supporting material.

Practical classes: analysis and discussion of real cases. Exercises resolution and practical cases to reinforce and apply the theoretical knowledge, working individually or in group, always under the teacher's direction.

Tutorship: doubts resolution, monitoring of the assigned work and the prepared cases. Autonomous student's work: readings related to the matter, studying and preparation of diagrams, preparation of cases and exercises.

Evaluation tests and monitoring: written evaluations of the acquired knowledge.

Advanced knowledge of use of excel and worksheets is required to be acquired progressively during the sessions. In this sense, the case studies must be prepared IN ADVANCE. During the sessions will not be time to review the formulation but in the relevant discussion to provide managerial recommendations.

Use of AI - Restricted Use: For this course, the use of Artificial Intelligence (AI) technologies is permitted exclusively for support tasks such as text correction or translations. The student must clearly identify which parts have been generated using this technology, specify the tools used, and include a critical reflection on how these have influenced the process and the final outcome of the activity. Lack of transparency in the use of AI in this assessed activity will be considered academic dishonesty and may result in partial or total penalties to the grade of the activity, or more severe sanctions in serious cases.

Annotation: Within the schedule set by the centre or degree programme, 15 minutes of one class will be reserved for students to evaluate their lecturers and their courses or modules through questionnaires.

## Assessment

### Continous Assessment Activities

Title	Weighting	Hours	ECTS	Learning Outcomes
Case Study	15%	2	0.08	5, 2, 3, 1, 4, 14, 7, 6, 8, 9, 15, 10, 11, 12, 13, 16, 20, 17, 19, 22, 21
Final Exam	45%	2	0.08	3, 14, 8, 9, 15, 10, 12, 13, 17, 18
Midterm exam	40%	2	0.08	14, 8, 9, 10, 12, 13, 17, 18

Additional information:

To pass, you must have an overall grade equal to or higher than 5.

Students with an overall grade (average) lower than 3.5 will fail the subject and will not be entitled to retake it.

Students who do not submit any assessment activities are considered "non-evaluable".

Students entitled to resit must achieve an overall grade equal to or higher than 3.5 and lower than 5.

The lecturers will decide the type of exam, taking into account that they will cover the entire syllabus of the subject and that it will be the same for all students. Regardless of the grade obtained in the resit, as long as it is greater than or equal to 5, it will be a 5.

This module does not offer the option for comprehensive evaluation

Irregularities in evaluation activities

In spite of other disciplinary measures deemed appropriate, and in accordance with current academic regulations, "in the case that the student makes any irregularity that could lead to a significant variation in the grade of an evaluation activity, it will be graded with a 0, regardless of the disciplinary process that can be instructed. In case of various irregularities occur in the evaluation of the same subject, the final grade of this subject will be 0". Section 10 of Article 116. Results of the evaluation. (UAB Academic Regulations).

## Bibliography

- Basic:

- Subramanyam, K.R. (2013), "Financial Statement Analysis". Irwin Accounting

Complementary:

- Walker, J. (2009): Accounting in a nutshell. Edició 3rd ed. Electronic resource from "Biblioteca de Ciències Socials. UAB".
- Wild, J; Subramanyam, K.; Halsey, R. (2005): Financial Statement Analysis. 9ª ed. Ed. McGraw-Hill.
- Wahlen, J. M., Baginski S. P., Bradshaw, M. (2010): Financial Reporting, Financial Statement Analysis and Valuation: A Strategic Perspective, ed. South-Western College Pub, 7th edition.

Webs:

- Instituto de Contabilidad y Auditoría de Cuentas (ICAC). <http://www.icac.meh.es>
- Banco de España. <http://www.bde.es>
- Banc Central Europeu. <http://www.ecb.int>
- Bolsa de Madrid. <http://www.bolsamadrid.es>
- Comisión Nacional del Mercado de Valores. <http://www.cnmv.es>
- Guía Empresarial de Esade. <http://www.guiame.net>
- Consell General de Cambres de Catalunya. <http://www.cambrescat.es>
- Informe Anual de l'Empresa Catalana. <http://www.gencat.net/economia/progecon/ecocat/inform.htm>
- Registro de Economistas Auditores. <http://www.rea.es>
- Registre Mercantil. <http://www.registradores.org>
- Instituto Censores Jurados de Cuentas de España. <http://www.icjce.es>

## Software

Advanced knowledge of use of excel and worksheets is required to be acquired progressively during the sessions. In this sense, the case studies must be prepared IN ADVANCE. During the sessions will not be time to review the fomulation but in the relevant discussion to provide managerial recommendations.

## Groups and Languages

Please note that this information is provisional until 30 November 2025. You can check it through this [link](#). To consult the language you will need to enter the CODE of the subject.

Name	Group	Language	Semester	Turn
(PAUL) Classroom practices	2	Catalan/Spanish	second semester	morning-mixed
(PAUL) Classroom practices	4	English	second semester	morning-mixed
(PAUL) Classroom practices	13	Spanish	second semester	morning-mixed
(PAUL) Classroom practices	52	Catalan/Spanish	second semester	afternoon
(PAUL) Classroom practices	60	Catalan	second semester	morning-mixed
(TE) Theory	2	Spanish	second semester	morning-mixed

(TE) Theory	4	English	second semester	morning-mixed
(TE) Theory	13	Spanish	second semester	morning-mixed
(TE) Theory	52	Spanish	second semester	afternoon
(TE) Theory	60	Catalan	second semester	morning-mixed