



Promoting E-Learning for Adults to Improve Quality and Availability of Life-Long Education

STUDY COURSE DESCRIPTION

STUDY COURSE	Financial Analysis and Planning
DURATION	32

RESPONSIBLE INSTRUCTOR:	
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STUDY COURSE ANNOTATION: The course is developed for owners of enterprises, as well as other parties from business environment to ensure the improvement of level of their financial literacy.

STUDY COURSE AIM AND TASKS:

The aim of the course is improvement of level of financial literacy of persons involved into business environment through the reviewing the basics of structure of financial reports, financial analysis, categories financial ratios, financial analysis and planning processes and approaches, as well as development of related skills.

The tasks of the course:

1. Provide students with knowledge and understanding of financial concepts and terms
2. Provide students with knowledge and understanding of the structure of company's financial reports
3. Provide students with knowledge and understanding of main financial ratios
4. Provide students with knowledge about the principles of financial planning and management, types of budgets
5. To develop students' skills to calculate financial ratios
6. To develop students' competencies in implementation of financial planning processes in the company
7. To develop students' skills to develop a company's financial plan
8. To develop students' competencies in companies overall financial condition assessment and financial reporting planning, correct understanding of the results and appropriate suggestions initiating for companies performance improvement

STUDY COURSE THEMATIC PLAN

No.	THEME	Duration (academic hours)
1.	The essence of financial analysis	1
2.	The information sources for financial analysis – financial reports. Basic insights into financial reports, structure, validity and interrelations. Terminology.	3
3.	Impact of business activities on results of financial reports based on case study	4
4.	Methods of financial analysis. Financial Ratios	4
5.	Analysis of financial condition of the company. Theory and practise	5
6.	The essence of financial planning	1
7.	Implementation of financial planning process in the company. Principles, steps and approaches	6
8.	Types of budgets. The adjusting of budget templates to business specific.	4
9.	Financial planning. Case study.	4
Total:		32

LITERATURE

The related readings are listed for each theme

The essence of financial analysis

1. Januška, M. Firmas finansiāli ekonomiskā stāvokļa analīzes metodika: praktisks palīglīdzeklis. – Rīga: Inovācija, 2002. – 39 lpp
2. Романова, Т.Г., Романова, Т.В., Белоусова, А.Г. (2002). Финансовый анализ. Улан-Удэ: ВСГТУ.
3. Берстайн, Л. А. Анализ финансовой отчетности. Теория, практика и интерпритация.: Пер. с англ.- Москва: Финансы и статистика, 2003.- 624 с.
4. Савицкая Г.В. Экономический анализ.- 10-е изд, испр.- Москва: Новое знание, 2004.-640

The information sources for financial analysis – financial reports. Basic insights into financial reports, structure, validity and interrelations. Terminology.

5. Ralph Kennedy & Stewart McMullen, Financial Statements, Form, Analysis and Interpretation, Richard D. Irwin, 1946
6. Brealey, R.A., Myers St.C. (1991). Principles of Corporate Finance. 4th ed. McGraw-Hill, Inc., ISBN 0-07-007405-4
7. Steven Bragg. Accountants' Guidebook: Third Edition. 573 p.

Impact of business activities on results of financial reports based on case study

8. William Pyle & John White, Fundamentals of Accounting Principles, P.1 Richard D. Irwin, Chicago. 1955

Methods of financial analysis. Financial Ratios

9. Steven M. Bragg (2002) Business ratios and formulas. A comprehensive Guide – John Wiley & Sons, Inc.
11. Bodie, Z., Kane, A., Marcus, A.J. (2010). Essentials of Investments. Boston: McGraw-Hill Irwin.
12. Damodaran, A. (2003). Corporate Finance: theory and practise. New York: John Wiley & Sons.

Analysis of financial condition of the company. Theory and practise

13. Lace, N., Sundukova, Z. (2008). Financial stability of enterprises: case from Latvia. VI International scientific conference 'Management and Engineering'08', Proceedings, 2008. June 19-21. Sofia: The scientific-technical union of mechanical engineering. - pp. 212-216.
14. Koleda N., Lace N., Kaliyeva G. (2013) Assurance of Business Viability Through Equity Sufficiency. The 17th World Multi-Conference on Systemics, Cybernetics and Informatics, July 9-12, 2013, Orlando, Florida, USA. International Institute of Informatics and Systemics. Proceeding. Volume 2. pp. 25-30.
15. D&B Raiting Guide. (2013). Dun & Bradstreet. Retrieved from: http://www.db24.no/no/produkter/risk-management/D%26Bs+prediktive+indikatorer/_attachment/3519?_ts=139901635ba
16. International Monetary Fund. (2008). Financial Soundness Indicators: Compilation Guide. Retrieved from: <http://www.imf.org/external/pubs/ft/fsi/guide/2006/index.htm>.
17. Koleda, N. (2011). Uzņēmuma finansiālās stabilitātes teorētiskie un praktiskie risinājumi kā ilgtspējīgas attīstības pamats (Disertācija). RTU Publikāciju datubāze. (ID 10391)

18. Sundukova Z., Jevinga I. Uzņēmumu maksātspējas novērtēšanas metodoloģijas problēmas // EKONOMIKA UN UZŅĒMĒJDARBĪBA. Tautsaimniecība: teorija un prakse. Zinātniskie raksti
19. Damodaran, A. (2003). Corporate Finance: theory and practise. New York: John Wiley & Sons.
20. Schoenebeck, Karen P. Interpreting and analyzing financial statements: a project-based approach. Upper Saddle River, N.J.: Pearson/Prentice Hall, 2013. 339 lpp. ISBN 9780132746243
21. Brigham, E.F., Houston, J.F. (2013). Fundamentals of Financial Management. 3rd ed. South-Western Cengage Learning., ISBN 978-0538-48260-8

The essence of financial planning

22. Corporate Strategy and Financial Planning. Frank J. Fabozzi PhD, CFA, CPA; Pamela P. Drake PhD, CFA. First published: 15 September 2008
<https://doi.org/10.1002/9780470404324.hof002057>
23. Strategic Financial Management. Prof. Selwyn Thambiraj, Prof. G. V. Challam, Prof. G. Sudarshan Reddy, Prof. S. Mohan, Prof. Mahesh Chand Gasg. 284 Pages
24. An Introduction to Strategic Financial Management (CIMA Financial Skills) David Allen , 1997. 224 pages; Publisher: Kogan Page Ltd
25. Планирование и бюджетирование. Иван Шамаев. Электронный ресурс: <https://ivan-shamaev.ru/category/plan-budget/>
26. BUDGETING AND BUSINESS PLANNING. Canada Business Network. Online resources: <http://www.infoentrepreneurs.org/en/guides/budgeting-and-business-planning/>

Implementation of financial planning process in the company. Principles, steps and approaches

27. Best practice in the budget and planning process. June 2017. Robert Lanzkron Management Consulting, PwC Israel.
https://www.pwc.com/il/he/events/assets/2017/15-6/best_practice_in_the_budget_and_planning_process.pdf
28. An Introduction to Strategic Financial Management (CIMA Financial Skills) David Allen , 1997. 224 pages; Publisher: Kogan Page Ltd
29. Financial Planning for Small and Medium-Sized Companies. Edition 2016. CREDIT SUISSE (Switzerland) Ltd. – 12 p
30. BUDGETING AND BUSINESS PLANNING. Canada Business Network. Online resources: <http://www.infoentrepreneurs.org/en/guides/budgeting-and-business-planning/>
31. Zimmerman, Jerold L. Accounting for Decision Making and Control (4th Edition). McGraw-Hill/Irwin, 2002, pp 316-7.

Types of budgets. The adjusting of budget templates to business specific.

32. Types of the budgeting models. 2017. On-line resource: <https://www.accountingtools.com/articles/what-are-the-types-of-budgeting-models.html>
33. Steven Bragg. Budgeting: Fourth Edition. 269 p.
34. Free Budget templates for any company. Smartsheet Solutions. On-line resource: <https://www.smartsheet.com/free-business-budget-templates-any-company>

THE STUDY COURSE SCHEDULE AND ORGANISATION

Number of teaching session	Total session duration (academic hours)	Topics of the session	Duration (academic hours)
1	4	The essence of financial analysis	1
		The information sources for financial analysis – financial reports. Basic insights into financial reports, structure, validity and interrelations. Terminology.	3
2	4	Impact of business activities on results of financial reports based on case study	4
3	4	Methods of financial analysis. Financial Ratios. Theory	2
		Methods of financial analysis. Financial Ratios. Practice	2
4	4	Analysis of financial condition of the company. Theory and practise	3
		Analysis of financial condition of the company. Practise	2
5	4	The essence of financial planning. Implementation of financial planning process in the company. Principles,	2
		Implementation of financial planning process in the company. Steps and approaches	4
6	4	Types of budgets. The adjusting of budget templates to business specific.	4
7	4	Financial planning. Case study.	4
Total: 7 sessions		Total:	32

THE STUDY COURSE REQUIREMENTS

- final presentation of results of analysis of financial condition of company, where the participant of seminars are employed
- successful preparation of task related to case study “Financial planning”

THE STUDY COURSE EVALUATION RESULTS Learning outcomes are linked to explicit student tasks and divided into three groups:

- 1) Knowledge and understanding;
- 2) Skills: ability to use knowledge, as well as communication and general skills in the study course field;
- 3) Competences: formulating the competences within the study course, e. g. knowledge and skills application, independently analyzing the information found and collected; problem identification and formulation in the field of activity applying research methods; the ability to independently carry out research and innovate in the sector.

Learning outcome evaluation criteria

Learning outcomes	Evaluation method	Evaluation criteria		
		40-69%	70-89%	90-100%
KNOWLEDGE AND UNDERSTANDING				
Knowledge of the essence of financial analysis and information sources for financial analysis	Open questions and answers session during the lecture	Correct mutual answers to the question correctly are less than 50% of asked questions)	Correct mutual answers to the question	Proactively and correctly answered the questions during the lecture
Knowledge on classification of financial analysis methods and ratios				
Knowledge on Implementation of financial planning process in the company.				
Types of budgets. The adjusting of budget templates to business specific.				
SKILLS (ability to apply knowledge, communication, general skills)				
Ability to calculate financial ratios	Independent task on calculation of efficiency ratios, activity ratios, solvency and liquidity ratios of chosen company	40-69% of reviewed ratios calculated correctly	70% of reviewed ratios calculated correctly	All Ratios calculated correctly
COMPETENCES (analysis, synthesis, evaluation)				
Understanding and ability to predict the impact of business activities on financial statements	Role game	Was able to prepare the financial statement with support of lecturer	Was able independently prepare the financial statement (balance sheet and income statement) based on reviewed and discussed activities during the role game, but made some mistakes in some statement positions	Was able independently prepare correctly the financial statement (balance sheet and income statement) based on reviewed and discussed activities during the role game
Ability to analyze the financial condition of the company, make conclusions and provide suggestions for its improvements	Final presentation preparation and defense. Topic "Analysis of financial condition of the company"	See detailed assessment scale below		
Ability to analyze available information, define lacking information and its possible resources and create financial plan (budget)	Practical task in groups – planning of financial statement	Financial statement was done partly correctly (mistakes in calculations)	Financial statement planned correctly based only on available information	Financial statement planned correctly, consideration taken into account, assumptions mentioned

Final presentation assessment system:

$$PA=FC+AP+AA$$

where

PA – final presentation assessment

FC – assessment of the results of analysis, number of points [0;7]

AP – assessment of the preparedness for presentation, number of points [0; 3]

AA – assessment of the answers, number of points [-3; 0]

Criteria	Points			
<i>assessment of the results of analysis of financial condition of companies (FC)</i>				
	Was taken into account/done/used/applied		Was not taken into account/done/used/applied	
The most appropriate ratios and methods were applied (grouping, averages, indexes etc methods reviewed during the course).	1		0	
The specific of object of investigation was taken into account. The tendencies were taken into account when the methods and ratios were selected	1		0	
The ratios and methods were applied correctly	1		0	
Correct conclusions	1		0	
Improvement or adjustment of ratios or methods taking into account specific of companies/industry/country	1		0	
Recommendations for improvement of companies'/industry/country economics	1		0	
Prognosis, sensitivity analysis	1		0	
Total maximal number of points "FC"	7			
<i>assessment of the preparedness for presentation (AP)</i>				
	Is absolutely appropriate	Insufficiently appropriate	Is not appropriate	
Formatting	1	0.5	0	
Clarity of information	1	0.5	0	
Appropriate volume	1	0.5	0	
Total maximal number of points "AP"	3			
<i>Replies to 3 questions (AA)</i>				
Points for answer	No answer	Right answer	Insufficiently appropriate	Correct answer
Correctness of the answers	-1	-1	-0.5	0
Total maximal number of points "AA"	0			
Total maximal number of points for presentation (PA)	10			

Participants final evaluation is equal to:

- The score for Final presentation, if minimum average evaluation assessment 60% for criteria's mentions in table "Learning outcome evaluation criteria"
- If average evaluation assessment for criteria's mentions in table "Learning outcome evaluation criteria" is less then 60%, student has to go thought the course repeatedly.