



UNIVERSITÀ DI PISA

FINANCIAL REPORTING AND ANALYSIS

MARCO ALLEGRINI

Anno accademico 2020/21
CdS MANAGEMENT FOR BUSINESS AND ECONOMICS
Codice 541PP
CFU 9

Moduli	Settore/i	Tipo	Ore	Docente/i
FINANCIAL REPORTING AND ANALYSIS	SECS-P/07	LEZIONI	63	MARCO ALLEGRINI

Obiettivi di apprendimento

Conoscenze

This is a course on fundamental analysis. The course combines accounting principles and investment principles to answer the question: How do I account for value so that I can challenge stock prices with some confidence? The primary emphasis is on equity (share) valuation, with a focus on developing and applying methods for valuing firms using financial statement analysis. Topics include models of shareholder value, a comparison of accrual accounting and discounted cash flow approaches to valuation, the analysis of profitability, growth and value generation in a firm, diagnosing accounting quality, and the determination of price/earnings (P/E) and market-to-book (P/B) ratios.

Modalità di verifica delle conoscenze

During the course, the student is engaged at understanding and developing a thorough, credible equity research report or investment analysis that meets the standards of professionalism.

Capacità

By the end of the course students should have answers to the following questions:

- How are fundamental values (or "intrinsic values") estimated?
- What business activities determine value? How is "value created for shareholders" identified?
- What is the relevance of cash-flows? Of dividends? Of earnings? Of book values?
- How does ratio analysis help in valuation? How does profitability tie into valuation?
- How does one analyze the quality of financial reports?
- What determines a firm's P/E ratio? How does one calculate what the P/E should be? What determines a firm's market-to-book (P/B) ratio? How does one calculate what the P/B should be?
- How does one evaluate a financial research report?

Modalità di verifica delle capacità

Case studies and financial reports will be discussed during the lectures.

Modalità di verifica dei comportamenti

Students will acquire an awareness of techniques to be used in an accounting and financial research department or firm. Accordingly, students will acquire confidence typical to the financial analysis.

Indicazioni metodologiche

The course has a practical focus.

The methods of fundamental analysis will be examined in detail and applied in cases and projects involving listed companies.

Programma (contenuti dell'insegnamento)

Introduction to Investing and Valuation
Introduction to the Financial Statements
How Financial Statements are Used in Valuation
Cash Accounting, Accrual Accounting and Discounted Cash Flow Valuation
Accrual Accounting and Valuation: Pricing Book Values



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Accrual Accounting and Valuation: Pricing Earnings
Valuation and Active Investing
Viewing the Business through the financial Statements
Analysis of the Statement of Shareholders' Equity
Analysis of the Balance Sheet and Income Statement
The Analysis of the Cash Flow Statement
Analysis of Profitability

Bibliografia e materiale didattico

Materials uploaded on the Moodle (E-learning website of the course).

Allegrini - Ferramosca, FINANCIAL REPORTING AND ANALYSIS, CREATE McGraw-Hill 2020, ISBN 9781307529432.

Introduction to Investing and Valuation (chap. 1)

Introduction to the Financial Statements (chap. 2)

How Financial Statements are Used in Valuation (chap. 3)

Cash Accounting, Accrual Accounting and Discounted Cash Flow Valuation (chap. 4)

Accrual Accounting and Valuation: Pricing Book Values (chap. 5)

Accrual Accounting and Valuation: Pricing Earnings (chap. 6)

Valuation and Active Investing (chap. 7)

Viewing the Business through the financial Statements (chap. 8)

Analysis of the Statement of Shareholders' Equity (chap. 9)

Analysis of the Balance Sheet and Income Statement (chap. 10)

The Analysis of the Cash Flow Statement (chap. 11)

Analysis of Profitability (chap. 12)

Indicazioni per non frequentanti

Exams methods, materials and syllabus are the same for attending and non-attending students.

Modalità d'esame

Test on the web platform (test.ec.unipi.it)

Written exam with open questions as well as exercises and case studies

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