



UK

SYLLABUS 2026-2027

Financial Analysis

MODULE SPECIFICATION

Module Code	2627_DFC_1_EN_050
Campus	Oxford
Department(s)	Law, Finance and Control
Level / Semester	Undergraduate Year 2 (U2); Equivalent to FHEQ level 5 Semester 03
Language of Instruction	English
Teaching Method	☒ In-person (face-to-face) ☐ Distance learning (live online) ☐ e-Learning (asynchronous) ☐ Hybrid: _____
Pre-requisite(s)?	Validated U1 general knowledge of bookkeeping, main accounting principles (income statement & balance sheet)
ECTS <i>Reminder: 1 ECTS = between 20 and 30hr- student workload</i>	4
Equivalent FHEQ credits	8
Study Hours	100 hours which comprise of 28 directed learning and 72 independent learning/assessment hours

MODULE DESCRIPTION

Module Aims	This module introduces students to the analysis and interpretation of financial statements as tools to assess business performance. Students apply ratio analysis and reporting principles to evaluate profitability, liquidity, and risk. Emphasis is placed on using financial insights to inform decision-making and transparency.
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Teaching Arrangement	The module will take place via lectures and exercises. Class time will be devoted to lectures by the instructor, small group teamwork, debates, discussions on readings, analysis of press articles on financial systems. The students are expected to read the set papers and articles before the lecture. The module material (slides and exercises) will be made available to the student through the LMS, after each lecture.
Learning Outcomes	By the end of this module, students should be able to: 1. Analyse and interpret financial statements, including the income statement, balance sheet, and cash flow statement, to assess a company's financial health. 2. Apply financial ratio analysis to evaluate business performance, profitability, liquidity, and solvency. 3. Develop evidence-based financial recommendations by synthesising financial data and identifying key risks and opportunities. 4. Examine the role of Integrated Reporting in bridging financial and non-financial reporting systems to enhance corporate transparency.
Competency Goals <i>(Knowledge, expertise and interpersonal skills)</i>	PGE_U_CG01 - Manage teams PGE_U_CG02 - Steer economic performance PGE_U_CG05 - Innovate to adapt to its environment
Alignment with Programme Learning Goals	PGE_U_CG01_LO01 - Identify opportunities, analyse situations, co-create solutions and achieve collective performance PGE_U_CG02_LO01 - Monitor the company's financial performance and anticipate financial risks PGE_U_CG05_LO04 - Develop decision-making support tools

SESSION TOPICS / MODULE SCHEDULE

(Please note, a session/sequence may be more than one scheduled class)

Session 1: Introduction to Finance and Financial Analysis

Content:

- Description of the module, purpose, organisation of the sessions, teacher's expectations
- Definition of financial analysis
 - Goals, skills, description of the different topics
- Understanding of financial terms and structure of financial reports
- Accounting reminders: P&L statement (Income statement) & Balance sheet
- Finance is a dynamic field that could be approaching a tipping point
- What makes financial statements credible and why is it important that we trust them?

Last reviewed: 16/09/2026

References:

- Easton, P., McAnally, M. L., Crawford, S. and Sommers, G.A. (2020) *Financial statement analysis & valuation*. 6th edn. Westmont, IL: Cambridge Business Publishers. (Module 1)

Assignments:

- Read: Borrelli, S.S. (2024) *Andrea Orcel, the ambitious UniCredit chief eyeing his next deal*, *Financial Times*. Available at: <https://www.ft.com/content/84ccecfa-f139-4cb8-9966-a8de0b6acf8c>.
 - To think about: What is it about banks that kicks up nationalist defence?

Session 2: Balance Sheet Analysis

Content:

- Elements of the balance sheet (BS)
- Financial health of a business: working capital and working capital requirement
- Financial recommendations
- Vertical and horizontal analysis of the BS
- Assets, liabilities, & shareholders' equity
- Market value vs. book value
- Common size BS

References:

- Easton, P., McAnally, M. L., Crawford, S. and Sommers, G.A. (2020) *Financial statement analysis & valuation*. 6th edn. Westmont, IL: Cambridge Business Publishers. (Module 2)

Session 3: Income Statement Analysis / Profit and Loss (P&L) Statement

Content:

- Understanding the net income construction (different margin levels)
- Net income vs. cash-flow
- Vertical and horizontal analysis of the income statement
- Components of the P&L
- Revenue, expenses, & other income
- Accrual accounting, important margins, & analyst adjustments
- Common size income statement

References:

- Easton, P., McAnally, M. L., Crawford, S. and Sommers, G.A. (2020) *Financial statement analysis & valuation*. 6th edn. Westmont, IL: Cambridge Business Publishers. (Module 2)

Session 4: Cash Flow Statements

Content:

- Interpretation of a statement of cash flows
- Statement format and data sources

References:

- Easton, P., McAnally, M. L., Crawford, S. and Sommers, G.A. (2020) *Financial statement analysis & valuation*. 6th edn. Westmont, IL: Cambridge Business Publishers. (Module 5)

Session 5: Financial Ratios

Content:

- Profitability, efficiency, liquidity, capital structure and investment ratios
- Understanding how to construct and read key financial ratios

- Important ratios: liquidity, operating, profitability, valuations, capital structure, & investment ratios

References:

- Easton, P., McAnally, M. L., Crawford, S. and Sommers, G.A. (2020) *Financial statement analysis & valuation*. 6th edn. Westmont, IL: Cambridge Business Publishers. (Module 3)

Session 6: Valuation of Assets

Content:

- Valuations of:
 - Intangible assets
 - Fixed assets and other tangible assets
 - Shareholder equity
- Value vs. prices

References:

- Easton, P., McAnally, M. L., Crawford, S. and Sommers, G.A. (2020) *Financial statement analysis & valuation*. 6th edn. Westmont, IL: Cambridge Business Publishers. (Modules 14 and 15)

Session 7: Meta-Models of Financial Systems - Anglo Saxon vs. Continental Europe vs. Asian

Content:

- Comparison across systems:
 - Anglo-Saxon (US, UK)
 - Continental Europe (Germanic, French)
 - Asian (Japan, South Korea)
- Discussion:
 - Fahlenbrach, R., Hackbarth, D., and Rocholl, J. (2017) 'The Future of Corporate Financing in Europe', *Schmalenbach Business Review*, 18, pp. 179–180. doi:10.1007/s41464-017-0039-6.
 - The Wirecard case

References:

- Mishkin, F.S. and Eakins, S.G. (2024) *Financial markets and institutions*. 10th edn. Harlow, United Kingdom: Pearson. (Part 1: Chapters 1 & 2)

Session 8: Integrated Report

Content:

- Understanding IR (Integrated report)
- Reporting beyond financial statements: Can the IR bridge across the Anglo-Saxon and other financial systems
- Advantages of IR over traditional financial report
 - Traditional reporting systems are a legacy of the Industrial Economy (that of physical assets)
 - Traditional accounting does not cater well for a world of intangible assets
 - IR as a means to overcome that limitation
- Knowledge economy vs. Industrial economy

References:

- (2021) International <IR> framework. rep. IFRS Foundation, pp. 1–56.

- Griffiths, P.D.R. (2021) *Corporate governance in the knowledge economy: Lessons from case studies in the finance sector*. Cham, Switzerland: Palgrave Macmillan. (Chapter 2)

Assignments:

- Project (in teams): comparison of 3 companies (one from each financial meta-system) based on their IR and recommend on which one to invest in

KEY TEXTS

1. Easton, P., McAnally, M. L., Crawford, S. and Sommers, G.A. (2020) *Financial statement analysis & valuation*. 6th edn. Westmont, IL: Cambridge Business Publishers.
2. Mishkin, F.S. and Eakins, S.G. (2024) *Financial markets and institutions*. 10th edn. Harlow, United Kingdom: Pearson.
3. Griffiths, P.D.R. (2021) *Corporate governance in the knowledge economy: Lessons from case studies in the finance sector*. Cham, Switzerland: Palgrave Macmillan.
4. (2021) International <IR> framework. rep. IFRS Foundation, pp. 1–56.

SUPPLEMENTARY TEXTS

1. Mukherjee, A., Griffiths, P., Sinha, P. and Deol, S. (2024) 'Finance for sustainability: A systematic review on crowdfunding for renewable energy projects', *Review of Financial Economics*, 42(4), pp. 467-490. doi: 10.1002/rfe.1211.
2. Borrelli, S.S. (2024) *Andrea Orcel, the ambitious UniCredit chief eyeing his next deal*, *Financial Times*. Available at: <https://www.ft.com/content/84ccecfa-f139-4cb8-9966-a8de0b6acf8c>.
3. Fahlenbrach, R., Hackbarth, D., and Rocholl, J. (2017) 'The Future of Corporate Financing in Europe', *Schmalenbach Business Review*, 18, pp. 179–180. doi:10.1007/s41464-017-0039-6.

MODES OF ASSESSMENT

Continuous Assessment (40%)	Individual assessment	20%
	Report	20%
Final Exam (60%)	Closed book written exam	

MODULE DESIGN TEAM

- Author: *Paul Griffiths*
- Reviewer: *Ezechias Azokly*
- External Reviewer: *Qurat-ul-ain Chohan*