



## FINA 5506 Z: Financial Statement Analysis

FALL 2025

<b>Instructor</b>	Jesse Dunn, MBA, CPA, CA
<b>Email Address</b>	jessedunn@cunet.carleton.ca
<b>Class Times</b>	Thursdays from 11:35 AM to 2:25 PM starting September 11
<b>Modality</b>	In-person
<b>Office Hours</b>	By appointment only – please email <a href="mailto:jessedunn@cunet.carleton.ca">jessedunn@cunet.carleton.ca</a>
<b>Office Location</b>	NI 7010

### Pre-Requisites & Preclusions:

Prerequisites: enrolment in Master of Finance program (no preclusions)

### Course Description/Instructor's Statement

#### Carleton Calendar Description

Analysis and interpretation of an entity's financial statements and annual report from a user perspective. Ratio analysis is used to analyze firm performance and make forecasts of future performance.

#### Instructor's Description:

This course equips students with a comprehensive set of analytical tools to evaluate the financial statements, management discussion and analysis (MD&A) and related disclosures of various firms. Through hands-on application, students will learn to conduct full-spectrum financial statement analysis, including company profiling, common-sizing, ratio and cash flow analysis, MD&A review, competitive analysis, credit modeling, financial forecasting, accounting policy assessment and final lending and investment decision-making. These skills are essential for professionals (i.e., employees, investors, portfolio managers, etc.) as they enable critical evaluation of financial information in today's dynamic, globally connected markets.

#### Course Learning Objectives:

1. Define the elements of financial statements and explain the basic principles supporting the recognition of these elements
2. Understand the interrelationship between financial statement items
3. Analyze financial statements and interpret the results of the analysis
4. Produce a report containing financial analysis and interpretation of the analysis
5. Predict a firm's future financial performance and explain how predictions are subject to uncertainty
6. Analyze the economic/regulatory environment to predict the effects of financial reporting issues
7. Explain the impact of accounting policy choices on financial statements
8. Identify manipulation techniques that could be used to manage earnings
9. Evaluate the usefulness and limitations of financial statement information

## Required Materials & Prices

### ***International Financial Statement Analysis, 4<sup>th</sup> Edition***

- Authors: Thomas R. Robinson
- Price: \$125 (E-Book) or \$160 (print copy)
- ISBN: 9781119628057

Purchase the textbook(s) from the campus bookstore in Nideyinàn (formerly the University Centre) or through the bookstore website: <https://carleton.ca/campus-services/the-bookstore/>.

### ***Case Studies (all \$7)***

- Bethea, Blake and Schill, Michael J. "Bizzy Coffee." Darden School of Business Case No. UV8754.
- Dadlani, Manesh and Hopkins, Justin J. "Understanding the Statement of Cash Flows: Three Illustrative Examples." Darden School of Business Case No. UV8419.
- Eades, Kenneth and Sirleaf, Jenelle. "The Financial Detective, 2016." Darden School of Business Case No. UV7201.
- Simco, Paul. "Assessing Earnings Quality: Nuware, Inc." Darden School of Business Case No. UV1757.

The case studies listed above are required for course assessment and involve a cost to students. Two additional fraud-related cases that are free of charge will also be assigned (see below for details). Throughout the semester, the instructor may introduce optional cases that students can choose to purchase and attempt. Details about these optional cases will be provided later.

## Grading Scheme

<b>Group Term Project</b>	<b>20.0%</b>
1 <sup>st</sup> Draft & Common-Sizing/Ratios	2.5%
2 <sup>nd</sup> Draft & Model	2.5%
Final PowerPoint	10.0%
Recorded Presentation	5.0%
<b>Quizzes x5 (6% each)</b>	<b>30.0%</b>
<b>Participation</b>	<b>10.0%</b>
Cases x5 (1% each)	5.0%
Mini-Quizzes x 10 (best 5 out of 10, 1% each)	5.0%
<b>Final Exam</b>	<b>40.0%</b>
<b>TOTAL</b>	<b>100.0%</b>

### ***Group Term Project***

*1<sup>st</sup> draft and common-sizing/ratios due on Sunday, October 19*

*2<sup>nd</sup> draft and model due on Sunday, November 9*

*Final PowerPoint due on Sunday, November 16*

*Recorded presentation due on Sunday, November 30*

In teams of 3-4 (to be assigned by the instructor), the Group Term Project will place students in the role of a fictitious lender tasked with making a difficult lending decision to a large but struggling company (see options below) in the wake of a crisis. Students will apply the full financial statement analysis toolkit developed throughout the semester – including company profiling, common-sizing,

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ratio and cash flow analysis, MD&A review, competitive analysis, credit modeling, financial forecasting, accounting policy evaluation and lending and investment decision-making – for one of the companies listed below and a competitor selected by the team (subject to instructor approval). A detailed Group Term Project guide outlining overall project requirements and expectations for each deliverable will be posted to Brightspace. Peer evaluations will be submitted via an online form on Brightspace – see below for peer evaluation instructions (p. 9).

Primary Company of Focus Options:

- Tupperware Brands Corp (EDGAR CIK 0001008654)\*
- Spirit Airlines, Inc. (EDGAR CIK 0001498710)
- 23andMe Holding Co. (EDGAR CIK 0001804591)
- WeWork Inc. (EDGAR CIK 0001813756)
- Bed, Bath and Beyond Inc. (EDGAR CIK 0000886158)\*
- Rite Aid Corp. (EDGAR CIK 0000084129)\*
- Revlon Inc. (EDGAR CIK 0000887921)\*
- Hertz Global Holdings, Inc. (EDGAR CIK 0001657853)

\* Companies with a **red** asterisk are good options as these are companies with straight-forward business models and long reporting histories. Other options are often newer, more innovative companies (making them interesting!) but could be more challenging to cover.

**Quizzes x5**

*Quiz 1 covering lectures 1 & 2 to be administered at the start of class on September 25*

*Quiz 2 covering lectures 3 & 4 to be administered at the start of class on October 9*

*Quiz 3 covering lectures 5 & 6 to be administered at the start of class on October 30*

*Quiz 4 covering lectures 7 & 8 to be administered at the start of class on November 13*

*Quiz 5 covering lectures 9 & 10 to be administered at the start of class on November 27*

Multiple-choice quizzes (x5) inspired by materials delivered in class and the course textbook will be administered at the start of Lectures 3 (September 25), 5 (October 9), 7 (October 30), 9 (November 13) and 11 (November 27). Quizzes will consist of 8 to 15 multiple-choice questions (MCQs) and will take approximately 15 to 25 minutes to complete. Each quiz is individually weighted 6%.

**Participation:** students are expected to attend each lecture in full, unless prior written approval has been obtained from the instructor. Preparation before class and active engagement during lectures are essential components of the learning experience. Participation will be evaluated through two main methods: cases and mini-quizzes.

Cases x5

*Understanding the Statement of Cash Flows due Wednesday, October 1*

*The Financial Detective, 2016 due Sunday, October 12*

*Bizzy Coffee due Wednesday, November 5*

*Assessing Earnings Quality: Nuware, Inc. due Wednesday, November 26*

*Comparison of Fraud Cases due Sunday, November 30*

Throughout the semester, students will complete five summative case assignments. Submission formats – such as Brightspace discussion posts or assignment dropbox uploads – and requirements will vary. These may include answering questions or presenting in class, either individually, in pairs or in teams. Detailed instructions will be provided in advance for each case.

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While it may be tempting to rely on AI tools to complete these assignments, students are strongly encouraged to make a genuine effort. Thoughtful, well-intentioned submissions – even if imperfect – will typically earn full credit (100%). These case assignments are designed to help students apply course concepts in practical, real-world scenarios and to strengthen their critical thinking skills.

Some cases (as outlined above) will need to be purchased by students. Two fraud-related cases will be provided by the instructor at no cost. Occasionally, the instructor may assign optional cases for purchase and completion. All assigned cases – whether summative or optional – will be debriefed in class to reinforce learning and facilitate discussion.

### Mini-Quizzes x10

Mini-quizzes (x10) consisting of 3 to 5 MCQs, based on in-class material and the course textbook, will be administered at the end of lectures 2 through 9 and lecture 11. These will take place on the following dates: September 18, 25; October 2, 9, 16, 30; November 6, 13, and 27. There will be no mini-quizzes for lectures 1, 10, and 12. Instead, lecture 12 will feature a final exam review, which will count for the 1% typically allocated to a mini-quiz. Of the 10 mini-quizzes, only the five highest scores will be counted toward the final grade, with each contributing 1%.

**Final Exam on December 18:** the final exam will consist of 40 to 60 MCQs inspired by materials delivered in-class and the course textbook.

### **Important Dates to Note**

Course Calendar: ● Lectures ● GTP ● Quizzes ● Cases ● Mini-quizzes ● Final Exam

## September

## 2025

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
08 <b>No deliverables week!</b>	09	10	11 <b>Lecture 1</b> 11:35 AM to 2:25 PM	12	13	14
15	16	17 <b>GTP</b> teams and company selections due by 11:59 PM	18 <b>Lecture 2 &amp; Mini-Quiz 1</b> 11:35 AM to 2:25 PM	19	20	21
22	23	24	25 <b>Lecture 3, Quiz 1 &amp; Mini-Quiz 2</b> 11:35 AM to 2:25 PM	26	27	28

# October

2025

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
29	30	01 Case 1 due by 11:59 PM	02 Lecture 4 & Mini-Quiz 3 11:35 AM to 2:25 PM	03	04	05
06	07	08	09 Lecture 5, Quiz 2 & Mini-Quiz 4 11:35 AM to 2:25 PM	10	11	12 Case 2 due by 11:59 PM
13	14	15	16 Lecture 6 & Mini-Quiz 5 11:35 AM to 2:25 PM	17	18	19 GTP 1 <sup>st</sup> draft and common-sizing/ratios due by 11:59 PM
20 No deliverables week!	21	22	23 Reading Week!! Woohoo!	24	25	26
27	28	29	30 Lecture 7, Quiz 3 & Mini-Quiz 6 11:35 AM to 2:25 PM	31	01	02

# November

2025

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
03	04	05 Case 3 due by 11:59 PM	06 Lecture 8 & Mini-Quiz 7 11:35 AM to 2:25 PM	07	08	09 GTP 2 <sup>nd</sup> draft and model due by 11:59 PM
10	11	12	13 Lecture 9, Quiz 4 & Mini-Quiz 8 11:35 AM to 2:25 PM	14	15	16 GTP final PowerPoint due by 11:59 PM
17 No deliverables week!	18	19	20 Lecture 10 11:35 AM to 2:25 PM	21	22	23
24	25	26 Case 4 due by 11:59 PM	27 Lecture 11, Quiz 5 & Mini-Quiz 9 11:35 AM to 2:25 PM	28	29	30 GTP recorded presentation & Case 5 due by 11:59 PM

# December

# 2025

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
01	02	03	04 Lecture 12 & Final Exam Review 11:35 AM to 2:25 PM	05	06	07
No deliverables weeks!						
08	09	10	11	12	13	14
15	16	17	18 Final Exam 6:00 PM to 9:00 PM	19	20	21

Major Themes, Lectures & Chapter Readings: the instructor will make every effort to follow the schedule outlined below. Adjustments may be necessary if the class progresses faster or slower than expected, or if refinements to the plan are needed. Any changes will be communicated to students in advance and assessments will only cover material that has been taught in class.

Date/Lecture	Topic(s)	Required Reading
<b>PART I – INTRODUCTION TO FINANCIAL STATEMENT ANALYSIS</b>		
<b>Lecture 1</b> – Sept. 11	• Introduction to F/S analysis	Ch. 1
<b>Lecture 2</b> – Sept. 18	• Financial reporting standards • Understanding income statements	Ch. 2 & 3
<b>PART II – MAJOR FINANCIAL STATEMENTS</b>		
<b>Lecture 3</b> – Sept. 25	• Understanding cash flow statements	Ch. 3 & 5
<b>Lecture 4</b> – October 2	• Understanding balance sheets	Ch. 4 & 5 + Case 1: Understanding the Statement of Cash Flows
<b>PART III – MAJOR FINANCIAL STATEMENT ANALYSIS TOOLS &amp; APPLICATIONS</b>		
<b>Lecture 5</b> – October 9	• Financial analysis techniques (including ratio analysis)	Ch. 6
<b>Lecture 6</b> – October 16	• Applications of financial statement analysis (including modelling)	Ch. 6 & 12 + Case 2: The Financial Detective, 2016
<b>PART IV – OPTIONALITY WITHIN ACCOUNTING POLICY CHOICES</b>		
<b>Lecture 7</b> – October 30	• Inventories • Long-lived assets	Ch. 7 & 8
<b>Lecture 8</b> – November 6	• Income taxes • Non-current (long-term) liabilities	Ch. 9 & 10 + Case 3: Bizzy Coffee
<b>Lecture 9</b> – November 13	• Intercorporate investments • Employee comp. (incl. pensions)	Ch. 13 & 14
<b>Lecture 10</b> – November 20	• Multinational operations	Ch. 14 & 15

<b>PART V – REPORTING &amp; EARNINGS QUALITY</b>		
<b>Lecture 11</b> – November 27	<ul style="list-style-type: none"> <li>Financial reporting quality</li> </ul>	Ch. 11 + Case 4: Assessing Earnings Quality: Nuware, Inc.
<b>Lecture 12</b> – December 4	<ul style="list-style-type: none"> <li>Evaluating quality of financial reports</li> </ul>	Ch. 17 + Case 5: Comparison of Fraud Cases

**Final Exam:** Thursday, December 18 from 6:00 PM to 9:00 PM

University Academic Calendar: <https://calendar.carleton.ca/academicyear/>

#### **Policies & Accommodations**

<https://students.carleton.ca/course-outline/>

<https://carleton.ca/pmc/current-students/academic-accommodations/>



**Stay updated with important notifications and announcements from Carleton University, by downloading the Carleton University App!**

#### **Late Assignments:**

To ensure fairness to all students, penalties will be applied to late assignments. Assignments submitted past the due date will receive a penalty of 10% per day. Assignments that are not submitted after 10 days past the due date will receive a grade of 0. Requests for extension will be considered in cases of illness, family emergency, or other exceptional circumstances.

#### **Preparation and Participation:**

The success of the course depends on attendance at every lecture and active, thoughtful participation by students through contributions to course discussions. See the Course Calendar above. The expectation is that students will attend lectures having completed required readings. This will enable students to participate more easily in any discussions held in class. I highly encourage everyone to participate actively and to ask lots of questions. Students should notify the instructor ahead of time of any lecture they will miss.

#### **Contribution to Program Learning Goals (MFin):**

<b>MFin Learning Goal</b>	<b>Not Covered</b>	<b>Introduced</b>	<b>Taught but Not Assessed</b>	<b>Taught <u>and</u> Assessed</b>
<b>MF1 Ethical and Professional Conduct</b> <i>Graduates will conduct themselves in alignment with the CFA Code of Ethics and Standards of</i>		✓		

<i>Professional Conduct.</i>				
<b>MF2 Financial Markets, Institutions, and Instruments</b> <i>Graduates will demonstrate an understanding of financial markets, instruments, and institutions.</i>		✓		
<b>MF3 Portfolio Management</b> <i>Graduates will understand the motivations of investors and manage an investment portfolio that achieves those objectives.</i>		✓		
<b>MF4 Data Analysis</b> <i>Graduates will be proficient in data management, analytics, and modeling.</i>				✓
<b>MB5 Communication</b> <i>Graduates will be effective communicators.</i>				✓



## ADDITIONAL INFORMATION

### Course Sharing Websites:

Materials created for this course (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the author(s). They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author(s).

### Recommended Calculator for Examinations:

If you are purchasing a calculator, we recommend any one of the following options: Texas Instruments BA II Plus (including Pro Model), Hewlett Packard HP 12C (including Platinum model), Staples Financial Calculator, Sharp EL-738C & Hewlett Packard HP 10bII

### Group Work:

The Sprott School of Business encourages group assignments. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, followership and other group skills. Group assignments are also an effective way to learn integrative skills for putting together a complex task. Your professor may assign one or more group tasks, assignments, or projects in this course. Before embarking on a specific problem as a group, it is your responsibility to ensure that the problem is meant to be a group assignment and not an individual one.

#### Peer Evaluation for Group Term Project

To deter social loafing and ensure fairness in grading, you will be asked to assess the contribution of your fellow group members twice during the semester. Although there is no specific weight allocated to peer evaluations, scoring and comments provided by teammates will be used when assigning the final grade for the Group Term Project. Poor peer evaluations may result in a reduced individual grade. The procedure is as follows: Each student should take 100 points and allocate those points to the various members of the group (including themselves) to reflect the contributions made by each member. For instance, if there are three members in a group and everyone contributed equally, each individual would receive 33 points. Conversely, if an individual contributed relatively little, other group members might allocate few points to that member and more to others. To ensure that these peer evaluation scores are reasonable and free from personal bias, you will be asked to provide a detailed written explanation for your point allocation.

### Letter Grades:

In accordance with the Carleton University Undergraduate Calendar (p 34), the letter grades assigned in this course will have the following percentage equivalents:

A+ = 90-100	B+ = 77-79	C+ = 67-69	D+ = 57-59	F = Below 50
A = 85-89	B = 73-76	C = 63-66	D = 53-56	
A - = 80-84	B - = 70-72	C - = 60-62	D - = 50-52	

Grades entered by Registrar:

WDN = Withdrawn from the course

DEF = Deferred

### **Academic Regulations:**

University rules regarding registration, withdrawal, appealing marks, and most anything else you might need to know can be found on the university's website, here:

<https://calendar.carleton.ca/grad/gradregulations/>

### **Requests for Academic Accommodation:**

Carleton is committed to providing academic accessibility for all individuals. You may need special arrangements to meet your academic obligations during the term. The accommodation request processes, including information about the Academic Consideration Policy for Students in Medical and Other Extenuating Circumstances, are outlined on the Academic Accommodations website ([students.carleton.ca/course-outline](https://students.carleton.ca/course-outline)).

You may need special arrangements to meet your academic obligations during the term. For an accommodation request, the processes are as follows:

- **Pregnancy**

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: <https://carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf>

- **Religious Obligations**

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: <https://carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf>

- **Students with Disabilities**

If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613-520-6608 or [pmc@carleton.ca](mailto:pmc@carleton.ca) for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You must also contact the PMC no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with your instructor as soon as possible to ensure accommodation arrangements are made. <https://carleton.ca/pmc/>

- **Survivors of Sexual Violence**

As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and its survivors are supported through academic accommodations as per Carleton's Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, visit: <https://carleton.ca/sexual-violence-support/>

- **Student Activities**

Carleton University recognizes the substantial benefits, to both the individual student and the university, that result from participating in activities beyond the classroom experience. Reasonable accommodation will be provided to students who compete or perform at the national or international level. Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. <https://carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf>

For more information on academic accommodation, please contact the departmental administrator or visit: <https://students.carleton.ca/course-outline/>

**Academic Integrity:**

Violations of academic integrity—presenting another’s ideas, arguments, words or images as your own, using unauthorized material, misrepresentation, fabricating or misrepresenting research data, unauthorized co-operation or collaboration or completing work for another student—are a serious academic offence, weaken the quality of the degree, and will not be tolerated. Penalties may include; a grade of Failure on the submitted work and/or course; academic probation; a refusal of permission to continue or to register in a specific degree program; suspension from full-time studies; suspension from all studies at Carleton; expulsion from Carleton, amongst others. Students are expected to familiarize themselves with and follow the Carleton University Student Academic Integrity Policy which is available, along with resources for compliance at: <https://carleton.ca/registrar/academic-integrity/>

**Centre for Student Academic Support:**

The Centre for Student Academic Support (CSAS) is a centralized collection of learning support services designed to help students achieve their goals and improve their learning both inside and outside the classroom. CSAS offers academic assistance with course content, academic writing and skills development. Visit CSAS on the 4th floor of MacOdrum Library or online at: <https://carleton.ca/csas/>

**Other Important Information:**

- Students must always retain a copy of all work that is submitted.
- All final grades are subject to the Dean’s approval.
- For us to respond to your emails, we need to see your full name, CU ID, and the email must be written from your valid CARLETON address. Therefore, in order to respond to your inquiries, please send all email from your Carleton cmail account. If you do not have or have yet to activate this account, you can do so by visiting <https://carleton.ca/its/get-started/new-students-2/>