

Number of ECTS credits : 4

Course language : Anglais

Course leader : KALAITZOGLU IORDANIS

≡ COURSE DESCRIPTION

This module aims at addressing the key aspects of business valuation in the current economic climate. The first part focuses on the contexts of evaluation, the main methods and the importance of the evaluation process. An important part is devoted to the cost of capital and the components of various sources of capital. It is then possible to present the main evaluation methods and implement them in practical examples and actual case studies. Some case studies are carried out by professionals. The final session will open the debate through a reflection on the contributions and limitations of the method of real options.

≡ COURSE OBJECTIVES

At the end of this module, students should be able to:

- Compute the WACC and its components
- Use different techniques to value a firm
- Understand, search-see and extract relevant information from various data sources
- Extract Information from the main financial statements
- Update and Adjust current figures
- Estimate Discount Rates
- Estimate Cash Flows
- Estimated Discount Rates
- Decide on what is the most appropriate evaluation for different companies
- Develop a group report

≡ LEARNING OBJECTIVES

C4B learning goal	LG1 - Analysis
C4B learning objective	LO1 - Make use of critical analysis/critical thinking skills
Outcomes	Lev. 0 - Niv. 0 - NC
C4B learning goal	LG1 - Analysis
C4B learning objective	LO2 - Analyse complex situations
Outcomes	Lev. 0 - NC
C4B learning goal	LG2 - Action
C4B learning objective	LO4 - Make proposals, take initiatives
Outcomes	Lev. 0 - NC
C4B learning goal	LG4 - CSR
C4B learning objective	LO12 - Take a decision from economic, social and environmental perspectives
Outcomes	Lev. 0 - NC
C4B learning goal	LG5 - Cooperation
C4B learning objective	LO14 - Work effectively in a team
Outcomes	Lev. 0 - NC

≡ TACKLED CONCEPTS

- Discount Rates
 - o Cost of Equity
 - o Cost of Debt
 - o WACC
- Estimate Cash Flows
 - o Measure and Update Earnings
 - o From Earnings to Cash Flows
- Estimate Growth
 - o Stable
 - o 2-stage Growth Models
 - o 3-stage Growth Models
- Relative Valuation
 - o Earnings Multiples
 - o Book Value Multiples
 - o Sales Multiples
- Real Options
 - o Option to Expand
 - o Option to Abandon
 - o Option to Delay
 - o Equity as an option to liquidate

≡ LEARNING METHODS

10 x 3 hour lectures will be used to introduce new material and to expand areas of financial theory but much of the learning will be done through case study work. Students will be required to analyse a situational problem and to put forward a solution for discussion.

≡ ASSIGNMENTS

Mid-term exam : Group Coursework 30% of the final mark
Final Exam : Written Exam, 70% of the final mark, open book, calculator needed

For the group project, you will know your group and group members by the end of the first week of the module.

Late submissions will be penalized by 10%/day (max 30%) reduction of the final grade.

≡ BIBLIOGRAPHY

Damodaran on Valuation, Wiley, 2nd edition <http://www.scholarvox.com/reader/index/docid/10051129/searchterm/damodaran>
Investment Valuation, A. Damodaran, Wiley, 2nd edition
Corporate Finance, European edition, HILLIER et al., 2010

≡ EVALUATION METHODS

30 % : Continuous assessment (Team Project) - Iordanis KALAITZOGLOU
70 % : Final exam - Iordanis KALAITZOGLOU

≡ SESSIONS

1 Introduction LECTURE : 03h00

2 DCF I LECTURE : 03h00

- Discount Rates
 - o Cost of Equity
 - o Cost of Debt
 - o WACC
- o Case Studies

3**DCF II**LECTURE : 03h00

- Estimate Cash Flows
 - o Measure and Update Earnings
 - o From Earnings to Cash Flows
 - o Case Studies

4**DCF III**LECTURE : 03h00

- Estimate Growth
 - o Stable
 - o 2-stage Growth Models
 - o 3-stage Growth Models

5**DCF case studies**LECTURE : 03h00

- DCF Examples - Complete Case Studies – Full Valuations

6**Relative valuation**LECTURE : 03h00

- Introduction to Relative Valuation
 - o Earnings Multiples
 - o Book Value Multiples
 - o Sales Multiples

7**Relative valuation case studies**LECTURE : 03h00

- Relative Valuation and DCF Examples - Complete Case Studies – Full Valuations

8**Real options**LECTURE : 03h00

- Introduction to Real Options
 - o Option to Expand
 - o Option to Abandon
 - o Option to Delay

9**Real options case studies**LECTURE : 03h00

- Equity as an option to liquidate
- Real Option, Relative Valuation and DCF Examples - Complete Case Studies – Full Valuations

10**Recoup and Revision**LECTURE : 03h00

Number of ECTS credits : 4
Course language : Anglais
Course leader : NOCERA GIACOMO

≡ COURSE DESCRIPTION

The course deals with the theory and the application of portfolio management techniques.
The aim is to survey the major theories, tools and results in portfolio management.
As the course emphasizes not only the theory, but also its practical application, by the end of this course, students are expected to have a good understanding of the asset management market, the financial instruments, and the market practitioners' terminology.
In addition, they should be able to develop a fair knowledge and understanding of key issues in asset allocation and portfolio composition and management and to implement adequate portfolio management strategies.
The course is designed to cover most of the "Portfolio Management and Wealth Planning" topic area and many concepts of some of the other topic areas of the CFA Candidate Body of Knowledge.

≡ COURSE OBJECTIVES

The main objective of this course is to learn the key theory with practical applications relevant to portfolio management.
After completing this course students will be able to:

- Measure and manage portfolio risk and return
- Select and monitor an investment and build a portfolio
- Practically understand and apply asset pricing basics

≡ LEARNING OBJECTIVES

C4B learning goal	LG1 - Analysis
C4B learning objective	LO2 - Analyse complex situations
Outcomes	Lev. 0 - NC
C4B learning goal	LG2 - Action
C4B learning objective	LO5 - Evaluate, prevent and manage short, medium and long-term risks
Outcomes	Lev. 0 - NC
C4B learning goal	LG5 - Cooperation
C4B learning objective	LO14 - Work effectively in a team
Outcomes	Lev. 0 - NC

≡ TACKLED CONCEPTS

Portfolio mathematics
Risk - return - utility functions
Asset pricing models
Index models
Portfolio performance evaluation
Passive and active portfolio management
Allocation of funds to portfolios

≡ LEARNING METHODS

Lectures
Practical lab applications
Team project
Homework and self-assessed work
Classroom discussion

≡ ASSIGNMENTS

Facultative homework
Group coursework

≡ BIBLIOGRAPHY

Z. Bodie; A. Kane; A.J. Marcus, Investments. McGraw-Hill International

≡ EVALUATION METHODS

30 % : Continuous assessment - Giacomo NOCERA
70 % : Final exam - Giacomo NOCERA

≡ SESSIONS

1 Introduction: the asset management industry

LECTURE : 03h00

This session offers a description of the course (aims and objectives, teaching and learning methods, topics to be covered, class rules) and provides an introduction to the asset management industry.

2 Quantitative tools for portfolio management

LECTURE : 03h00

This session is devoted to a review of the quantitative tools: the basics of return calculation, a review of basic statistics, regression analysis, and matrix algebra.

3 The mean-variance framework

LECTURE : 03h00

This session introduces the concepts of return and risk as the main inputs of any asset allocation strategy and highlights the advantage (and the drawbacks) of using expected returns and variance of returns as the only indicators of return and risk. It also shows how individuals' preferences can be represented in such a mean-variance framework.

4 Portfolio Selection: the theory

LECTURE : 03h00

This session presents the Markowitz's model and shows how to build the optimal portfolios by using (i) 2 risky assets; (ii) a risky asset and a riskless one; (iii) n risky assets; (iv) n risky assets and a riskless one. It also shows how investor's preferences enter the portfolio selection.

5 Portfolio Selection: MS Excel application

LECTURE : 03h00

This session completes the previous one by showing how to generate the efficient frontier of financial portfolios using real data on Excel. The quadratic optimization approach (through Excel solver) is discussed.

6 CAPM and index models

LECTURE : 03h00

In this session the Capital Asset Pricing Model, a centerpiece of the modern financial economics, is introduced and discussed critically. This session also introduces the index models (single-index and multi-index models), their advantages and limitations, how to estimate them and how to interpret this information. Practical examples of index model applications are presented and the link between the market model and the CAPM is discussed.

7 APT and multifactor models of risk and return

LECTURE : 03h00

In this session the Arbitrage Pricing Theory is outlined. The Fama-French multifactor model of risk and return is introduced and compared to the standard CAPM.

8**The frontiers of portfolio diversification**LECTURE : 03h00

This session illustrates the benefits of a portfolio diversification across different markets, sectors, and different asset classes. An analysis of the main alternative asset classes is provided.

9**Practical issues in portfolio management (I)**LECTURE : 03h00

This session deals with some practical issues in portfolio management: the rationale of the existence of different mutual funds, the need for benchmarks, the costs and benefits of two alternative investment approaches (active vs passive portfolio management), the performance evaluation measures (risk adjusted measures such as the Sharpe ratio, the Treynor ratio, the Jensen's alpha, the appraisal or information ratio are presented).

10**Practical issues in portfolio management (II)**LECTURE : 03h00

This session completes the previous one as it deals with the performance analysis of mutual funds and shows the standard approaches to decompose performances and identify investment styles. It also discusses the modern portfolio management process and its ethics as well as the different stages of the portfolio process. Finally, it deals with the remuneration of the asset management activity, through an analysis of the management fees and the mutual funds' expense ratios.

Number of ECTS credits : 4

Course language : Anglais

≡ COURSE DESCRIPTION

The first part of the course covers the market pricing of credit risk implied from bond yields, CDS spreads, and equity prices. The second part of the course deals with the measurement of market risk (Value at Risk, Expected Shortfall) in portfolios of financial assets.

≡ COURSE OBJECTIVES

The course aims at providing a technical and hands-on approach to credit risk and market risk measurement. At the end of the course students should be able to extract information on the credit quality of an entity from market prices of bonds and credit derivatives. In addition, they should be able to estimate the market risk of a portfolio of assets in terms of Value at Risk and Expected Shortfall.

≡ LEARNING OBJECTIVES

C4B learning goal	LG1 - Analysis
C4B learning objective	LO1 - Make use of critical analysis/critical thinking skills
Outcomes	Lev. 3 - Detect one's own biases and evaluate their impacts on the formulated opinion
C4B learning goal	LG2 - Action
C4B learning objective	LO5 - Evaluate, prevent and manage short, medium and long-term risks
Outcomes	Lev. 3 - Prioritize risk scenarios, decide a risk management plan and ensure the implementation of a risk management/prevention plan

≡ TACKLED CONCEPTS

Financial concepts:

Credit risk and credit derivatives. Market pricing of credit risk. Structural models of credit risk. Market risk measures: Value at Risk and Expected Shortfall.

Technical tools:

Multivariate distributions. Principal component analysis. Historical (non-parametric) simulation. Monte Carlo simulation. Bootstrapping techniques and calibration. Poisson default processes.

≡ LEARNING METHODS

Standard Lectures. Exercises. Computer-based applications.

≡ ASSIGNMENTS

One mid-term group empirical assignment (groups of 5 students)

The mid-term assignment accounts for 30% of the final grade. The final exam (exercises and open questions) accounts for the remaining 70% of the grade.

≡ BIBLIOGRAPHY

Textbook: "Options, Futures, and Other Derivatives", John C. Hull, Pearson Education

"Risk Management and Financial Institutions", John C. Hull, Wiley.

Primary reading material: Instructor's slides, exercise sets, programming examples.

≡ EVALUATION METHODS

30 % : Continuous assessment (Team Project) - Mascia BEDENDO

70 % : Final exam - Mascia BEDENDO

1 Credit risk components

LECTURE : 03h00

Credit risk. Credit risk components: Country risk, sector risk, firm-specific risk. Recovery rates. Credit risk and the business cycle.

2 Market measures of credit risk

LECTURE : 03h00

Market measures of credit risk: Bond yields and credit default swap spreads. An introduction to credit derivatives.

3 Credit default swaps

LECTURE : 03h00

Credit default swaps pricing: The asset swap approach and the full valuation approach.

4 Reduced-form models of credit risk

LECTURE : 03h00

Default-intensity or reduced-form models. Bootstrapping default probabilities from CDS spreads and bond prices. Liquidity risk premium.

5 Structural models of credit risk

LECTURE : 03h00

How to imply credit risk measures from the equity market. The Merton's approach.

6 Market risk

LECTURE : 03h00

Market risk. Dimension reduction techniques. Principal component analysis and applications.

7 Value-at-Risk: parametric

LECTURE : 03h00

Value at risk. Parametric approach: volatility and correlation estimation.

8 Value-at-Risk: non-parametric

LECTURE : 03h00

Value at risk. Simulation approaches: Historical simulation and Monte Carlo simulation.

9 Expected Shortfall

LECTURE : 03h00

Beyond Value at risk: Expected shortfall. Backtesting and stress-testing of VaR and ES.

10 Regulation

LECTURE : 03h00

Market risk and credit risk regulatory developments. Counterparty risk.

Number of ECTS credits : 4

Course language : Anglais

Course leader : BLOMKVIST MAGNUS CHRISTOF

≡ COURSE DESCRIPTION

This course covers financial engineering techniques from a corporate managers perspective. We focus on how the financial manager can enhance firm value by the use of different financial instruments during different tax and legal regimes. Furthermore, we cover the structuring of M&A and LBOs with focus on the use of different financial instruments.

≡ COURSE OBJECTIVES

After this course, the students will be able :

- To understand the main tools of financial engineering
- To understand how firms can exploit legal and structural issues
- To understand how firms can benefit from capital market imperfections

≡ LEARNING OBJECTIVES

C4B learning goal	LG1 - Analysis
C4B learning objective	LO2 - Analyse complex situations
Outcomes	Lev. 0 - NC
C4B learning goal	LG2 - Action
C4B learning objective	LO5 - Evaluate, prevent and manage short, medium and long-term risks
Outcomes	Lev. 0 - NC
C4B learning goal	LG5 - Cooperation
C4B learning objective	LO14 - Work effectively in a team
Outcomes	Lev. 0 - NC

≡ TACKLED CONCEPTS

Free Cash Flow Theory, Pecking Order Theory, building an empire, Agency Theory
Leverage
Corporate Governance
Shareholder wealth
Post and Pre-money value
Control Premium and exit premium
IRR
Dividend Per Share
Pay-out ratio
Pre-emptive rights
Convertible bonds
Senior and junior debt
Covenants
Management package
Merger and Acquisition
IPO, BOSO, LBO, BIMBO, LBI, OBO, LBU
Venture capital – Crowdfunding – Investment capital
Due diligence, preferred shares, shareholder agreements, earn-out amendment.
Securitization

≡ LEARNING METHODS

Cases, Exercises and Lectures

≡ ASSIGNMENTS

Exercises

Two Cases:

-M&A Case

-LBO Case

≡ BIBLIOGRAPHY

Selected parts from the following books

-Damodaran, "Corporate Finance 2nd edition"

-Koller, Goedhart, Vessels, "Valuation: Measuring and Managing the Value of Companies" McKinsey & Company

Articles assigned by the lecturer:

-What is value based Management – McKinsey Quarterly

-Balancing ROIC and growth to build value – McKinsey Quarterly

-Measuring long-term performance - McKinsey Quarterly

-Are share buybacks jeopardizing future growth – McKinsey quarterly

-Bain Report on Private Equity

-The five types of successful acquisitions, McKinsey Quarterly

-How Emerging Giants are Rewriting the Rules of M&A – Harvard Business Review

+ Additional material assigned by the lecturer

≡ EVALUATION METHODS

30 % : Continuous assessment - Magnus BLOMKVIST

70 % : Final exam - Magnus BLOMKVIST

≡ SESSIONS

1

Introduction to Value Based Management

LECTURE : 03h00

How a firm can create value from both operations and from the financing activities. To understand how a firm create value and why firm value is the main steering goal for a firm. Emphasis is on Economic added value (EVA) and how to split up Firm value and multiples into understandable pieces. When should a firm invest and not invest? The interlink between Growth and ROIC.

2

Capital Structure

LECTURE : 03h00

Optimal Capital Structure

Minimizing the WACC

Debt and Equity Characteristics

Modigliani & Miller, Pecking Order Theory, Trade-Off Theory

The costs of Financial slack and financial constraints

3

Payout Policy

LECTURE : 03h00

Dividend and Share Repurchases

Taxation in different legal regimes

The effect of tax change on payout policy

US firms and payout policy

Dividend tax Arbitrage

Effect of payout policy on Firm investment

4

M&A part 1

LECTURE : 03h00

Why do firms merge?

Value creation in M&A

Theories concerning M&A

merger waves

5

M&A Part 2

LECTURE : 03h00

Do M&A pay?

Deal Financing

6

Case Presentation 1

LECTURE : 03h00

M&A case presentation

7

Private Equity 1

LECTURE : 03h00

What is Private Equity?

PE fund structure

IRR

IRR brakedown

PE compensation

PE returns

8

Private Equity pt. 2

LECTURE : 03h00

Building an LBO model

Business model

9

Security Issuance

LECTURE : 03h00

IPO principles

Secondary vs. Primary shares

Follow up offers

Does venture capital financing theory apply to IPO firms?

10

CASE 2: LBO model

LECTURE : 03h00

CASE 2: LBO model

Number of ECTS credits : 4
Course language : Anglais
Course leader : GUYOT ALEXIS

≡ **COURSE DESCRIPTION**

The aim of this course is to give knowledge to students about default risk and skills to assess it. Students will apply credit scoring techniques used in the banking industry as well as within companies to assess borrowers’ risk of default.

Prerequisites for this course:

- Financial analysis course (basic level, such as the one offered in Semester 3 of the Grande Ecole programme)
- Basic math, probability theory & statistics

A brief reminder of these topics will take place within the course.

≡ **COURSE OBJECTIVES**

Upon completion of the module, you should have:

- advanced knowledge and critical understanding in rating, scoring and default prediction techniques applied in the banking & corporate industry
- demonstrated ability to exercise critical judgment on complex situations
- the ability to assess a company’s financial position and risk of bankruptcy through a solid and detailed analysis of its financial statements, business environment, strategy and financing decisions
- the understanding of the impact of ESG dimensions on credit rating

≡ **LEARNING OBJECTIVES**

C4B learning goal	LG1 - Analysis
C4B learning objective	LO2 - Analyse complex situations
Outcomes	Lev. 0 - NC
C4B learning goal	LG2 - Action
C4B learning objective	LO5 - Evaluate, prevent and manage short, medium and long-term risks
Outcomes	Lev. 0 - NC
C4B learning goal	LG4 - CSR
C4B learning objective	LO12 - Take a decision from economic, social and environmental perspectives
Outcomes	Lev. 0 - NC

≡ **TACKLED CONCEPTS**

Default risk
 Rating
 Scoring
 ESG dimensions and credit rating
 Covenant package
 Technical default & insolvency
 Default prediction models

≡ LEARNING METHODS

Case studies

Numerical applications

Softwares used in this class:

- Excel (extensively used)

≡ ASSIGNMENTS

Both formative (in class) and summative (final exam) assessments.

30% of the final grade is assessed by a coursework.

70% of the final grade is assessed by an individual final exam (closed books, 1 non programmable calculator authorized)

≡ BIBLIOGRAPHY

Damadoran, A. Corporate Finance: Theory and Practice. John Wiley & sons

Tan, P. N., Steinbach M., Kumar V. Introduction to data mining. Pearson

≡ EVALUATION METHODS

30 % : Continuous assessment - Alexis GUYOT

70 % : Final exam - Alexis GUYOT

≡ SESSIONS

1 Rating & scoring

LECTURE : 03h00

Rating methodology

- Assessing a business profile
- Assessing a financial profile

Scoring

2 Moody's credit risk assessment (part 1)

LECTURE : 03h00

Moody's standard adjustments

3 Moody's credit risk assessment (part 2)

LECTURE : 03h00

Moody's standard adjustments

4 Moody's credit risk assessment (part 3) / ESG & credit rating

LECTURE : 03h00

Moody's adjustments
Total SA case study
Integration of ESG factors into credit risk assessment

5 Covenant package

LECTURE : 03h00

6 Default prediction models: linear regression classifiers

LECTURE : 03h00

7

Default prediction models: naïve Bayesian classifiers

LECTURE : 03h00

8

Default prediction models: Linear Discriminant Analysis (part 1)

LECTURE : 03h00

9

Default prediction models: Linear Discriminant Analysis (part 2)

LECTURE : 03h00

10

Concluding remarks

LECTURE : 03h00

Number of ECTS credits : 4
Course language : Anglais
Course leader : SAMBROOK TIMOTHY

≡ COURSE DESCRIPTION

This module aims to provide students with the necessary training to develop an advanced understanding of money markets, foreign exchange, derivatives and commodities.

Part 1. Is dedicated to give students a strong knowledge and understanding of the money markets.

Part 2. Provides students with specialist knowledge of international trade and currency markets.

Part 3. Gives the students an in depth knowledge of derivatives, in particular futures, swaps and options, so that they will be able to calculate the price of such instruments from first principles.

Cross-over program with the following modules:
- Portfolio management

≡ COURSE OBJECTIVES

Upon completion of the module, you should have:

- specialist knowledge of the different types of cash instruments in the money markets
- advanced knowledge and critical understanding in currency exchange rates with an appreciation of international trade and capital flows
- describe the investment and risk characteristics of derivatives
- an in depth knowledge of the uses and functionality of basic derivative products, and be able to calculate the underlying value of such products

≡ LEARNING OBJECTIVES

C4B learning goal	LG1 - Analysis
C4B learning objective	LO2 - Analyse complex situations
Outcomes	Lev. 0 - NC
C4B learning goal	LG2 - Action
C4B learning objective	LO5 - Evaluate, prevent and manage short, medium and long-term risks
Outcomes	Lev. 0 - NC
C4B learning goal	LG3 - Entrepreneurship and Innovation
C4B learning objective	LO7 - Identify needs and draw up an appropriate offer
Outcomes	Lev. 0 - NC

≡ TACKLED CONCEPTS

Treasury bills
Commercial Paper
Bankers Acceptance
Certificate of Deposit
Repurchase agreements
Floating Rate Notes
Nominal and real exchange rates
Direct and indirect fx quotations
Currency cross rates
Forwards
Exchange rate regimes
International capital flows
Traditional options
Traded options
Hedge ratio
Call/put parity
Binomial model
Future margin
Interest rate swaps
Currency swaps
Swaptions

≡ LEARNING METHODS

Presentation
Readings
Exercises
Case based learning

The methodologies used in the course include subject presentation and exercises.

≡ ASSIGNMENTS

Readings & exercises
Case studies

2 hours 30min final exam: 100%

≡ BIBLIOGRAPHY

“Options, Futures, and Other Derivatives”, John C. Hull, Pearson Education

≡ EVALUATION METHODS

100 % : Final exam - Tim SAMBROOK

≡ SESSIONS

1

Session 1

LECTURE : 03h00

Managment of Cash Models

Cash Instruments – treasury bills, commercial paper, bankers acceptance, certificates of deposit, repo agreements and FRN.

2

Session 2

LECTURE : 03h00

Currency and Exchange Rates

The economics of International Trade. Capital Flows. Benefits of trading. Blocs and unions.

3

Session 3

LECTURE : 03h00

More Currency

Trade organisations
Currency regimes
Foreign Exchange market.
Exchange rate calculations

4

Session 4

LECTURE : 03h00

Derivatives Futures – Forwards, characteristics of different futures, price calculation
Derivative futures – Strategies with futures

Commodities

5

Session 5

LECTURE : 03h00

Derivative Option – Traded options, basic price calculation of puts and calls

6

Session 6

LECTURE : 03h00

Option strategies

7

Session 7

LECTURE : 03h00

Derivative Option – Investment risk and characteristics of options, investment strategies.
Binomial model of pricing
Greeks

8

Session 8

LECTURE : 03h00

black scholes model of option valuation

9

LECTURE : 03h00

Derivative Swaps – Basic concepts of swaps. Valuation. Swaptions

10

LECTURE : 03h00

CDS

Revision

Number of ECTS credits : 4
Course language : Anglais
Course leader : GUYOT ALEXIS

≡ COURSE DESCRIPTION

This course is an introduction to the International Financial Reporting Standards (IFRS) and the US Generally Accepted Accounting Standards (GAAP).

≡ COURSE OBJECTIVES

It aims to develop fundamental skills necessary to read and analyze the information contained in the three main financial statements (P&L, balance sheet and statement of cash flows) and notes.

≡ LEARNING OBJECTIVES

C4B learning goal	LG1 - Analysis
C4B learning objective	LO1 - Make use of critical analysis/critical thinking skills
Outcomes	Lev. 0 - Niv. 0 - NC
C4B learning goal	LG1 - Analysis
C4B learning objective	LO2 - Analyse complex situations
Outcomes	Lev. 0 - NC
C4B learning goal	LG2 - Action
C4B learning objective	LO5 - Evaluate, prevent and manage short, medium and long-term risks
Outcomes	Lev. 0 - NC
C4B learning goal	LG3 - Entrepreneurship and Innovation
C4B learning objective	LO9 - Develop innovative solutions and test them
Outcomes	Lev. 0 - NC
C4B learning goal	LG5 - Cooperation
C4B learning objective	LO15 - Act with flexibility, adaptability and intellectual curiosity
Outcomes	Lev. 0 - NC

≡ TACKLED CONCEPTS

Balance sheet,
Consolidated financial statements,
IFRS and US GAAP frameworks,
Inventories,
Income taxes,
Long-lived assets,
Noncurrent liabilities,
P&L account,
Statement of cash flows

≡ LEARNING METHODS

Case studies discussion
Readings

≡ ASSIGNMENTS

Case studies
Chapters reading in one specific book

≡ BIBLIOGRAPHY

Financial accounting and reporting; a global perspective Hervé Stolowy, Michel lebas, Yuan Ding et George Langlois 4th edition Cengage Learning 2013
International Financial Statement Analysis Thomas R. Robinson, Elaine Henry and al., 2nd edition Wiley, 2012

≡ EVALUATION METHODS

30 % : Continuous assessment - Florence BONIN
70 % : Final exam - Florence BONIN

≡ SESSIONS

1 Financial reporting mechanics and IFRS and US GAAP Framework LECTURE : 03h00

Financial reporting mechanics (the accounting process, accrual and valuation adjustments)
IFRS and US GAAP Framework (Conceptual framework, objective of financial reports, qualitative characteristics of financial reports, constraints on financial reports)

2 Consolidated financial statements LECTURE : 03h00

Joint venture
Methods of consolidations
Financial statement presentation subsequent to the business combination

3 Understanding income statements and balance sheets LECTURE : 03h00

Revenue recognition
Expense recognition
Expenses by nature and by function
Nonrecurring items and nonoperating items
Components and format of the balance sheet
Current assets and current liabilities
Noncurrent assets
Noncurrent liabilities
Equity

4 Understanding balance sheets and cash flow statements LECTURE : 03h00

Noncurrent assets
Noncurrent liabilities
Equity
Components and format of the cash flow statement
Linkages of the cash flow statement with the income statement and balance sheet
Indirect method and direct method in the calculation of the cash flow from operating activities

5 Analyst adjustments to reported financials

LECTURE : 03h00

A framework for analyst adjustments
Analyst adjustments related to investments
Analyst adjustments related to inventory
Analyst adjustments related to property, plant and equipment (P,P&E)
Analyst adjustments related to goodwill
Analyst adjustments related to off-balance-sheet financing

6 Inventories

LECTURE : 03h00

Cost of inventories
Inventory valuation methods
Inventory method changes
Inventory adjustments

7 Long-lived assets

LECTURE : 03h00

Acquisition of long-lived assets
Depreciation and amortization of long-lived assets
Impairment of assets
Derecognition

8 Income taxes

LECTURE : 03h00

Differences between accounting profit and taxable income
Determining the tax base of assets and liabilities
Temporary and permanent differences between taxable and accounting profit

9 Financial assets and Noncurrent liabilities

LECTURE : 03h00

Investments in financial assets (held-to-maturity and available-for-sale, impairments)
Bonds payable
Leases
Introduction to pensions and other postemployment benefits

10 Case study: a global perspective

LECTURE : 03h00

Creation of a statement of cash flows from an income statement, balance sheets and notes.