



FINANCIAL ANALYSIS

Basic data of the subject	
Academic Unit:	Faculty of Life and Environmental Sciences
Course title:	Financial analysis
Study program:	Agribusiness Management
Level:	Master (MSc)
Course status:	Elective (E)
Study year:	2 year / 3 semester
Number of hours per week:	2 + 1
Credit value – ECTS:	5 ECTS
Time / location:	To be announced
Lecturer:	Prof. Asoc. Dr. Florije Govori
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Course description:	The objective of this class is to provide you with a framework for analyzing a firm's past performance, evaluating its future performance, and valuing its capital. The course integrates key concepts from accounting, finance, economics and business strategy and applies them to financial decision making. The course focuses on teaching to interpret numbers in financial statements. You must complete the course with the ability to generate reasonably accurate (or at least logically sound) forecasts of a firm's future financial performance, including income, profits, asset balances, and free cash flows.
Course objectives:	This course focuses as much as possible on the practical application of financial analysis. The aim of this course is to teach students the key analytical skills involved in reading and interpreting a firm's financial position using financial statements, industry knowledge, and market-related information to make better business decisions.
Learning outcomes:	Upon completion of the course, students will be able to: ▪ Become familiar with the information available to investors and analysts ▪ Calculate various financial reports ▪ Understand the value of shared-size financial statements in understanding the business nature of a firm ▪ Learn how reports can be used to identify trends within a company over time and between firms within an industry ▪ Understand how to use financial statements to assess the profitability and risk of a firm ▪ Understand how to interpret reports of financial statements ▪ Understand how operating and financing activities affect the completion of financial statement reports ▪ Understand management's discretion in classifying income, expenses, gains and losses in revenue



Contribution on student load (must correspond with learning outcomes)			
Activity	Hours	Days/week	Total
Lectures	2	13	26
Exercise theoretical/laboratory	1	13	13
Practice work	2	1	2
Contact with lecturer/consultations	1	15	15
Field exercises	/	/	/
Mid-terms, seminars	3	1	3
Homework	1	13	13
Individual time spent studying (at the library or home)	2	15	30
Final preparation for the exam	2	8	16
Time spent in evaluation (tests, quiz, final exam)	2	2	4
Projects, presentations, etc.	3	1	3
Total			125 hours (5 ECTS)
Teaching methods:	Lectures, exercises, discussions, consultations, course projects, homework, midterm exam, final exam.		
Evaluation methods:	▪ Regular and active attendance: 10%, ▪ Midterm exam (colloquium): 20%, ▪ Course project: 10%, ▪ Final exam: 60%.		
Literature			
Basic Literature:	Isa Mustafa (2008) Menaxhmenti financiar, Riinvest, Prishtinë, K. R. Subramanyam (2014). Financial Statement Analysis McGraw-Hill Education. Eleventh Edition. Herbert B. Mayo (1995). Financa, LU Tiranë.		
Additional Literature:	Aristotel Pano, Skënder Kërçuku, (2012). Analiza Ekonomiko-Financiare. Kristal. Tiranë. Halit Xhafa.(2014). Analiza e Pasqyrave Financiare. Urtësia Bektashiane. Tiranë Steven M. Bragg. (2007). Financial Analysis – A Controller’s Guide. John Wiley & Sons, Ltd. Second Edition Martin Fridson, Fernando Alvarez (2011). Financial Statement Analysis – A Practioner’s Guide. John Wiley & Sons, Ltd. Fourth Edition.		

	Benjamin Graham (2009). The Intelligent Investor (Revised Edition). HarperCollins e-books. New York. Jack Alexander (2018). Financial Planning & Analysis and Performance Management. John Wiley & Sons, Ltd. New Jersey.
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Designed study plan:		
Week	Lectures	Exercises
<i>First week:</i>	Introduction to the basic concepts and principles of Financial Analysis (Problems with traditional measurement systems, Objectives of financial analysis and performance)	Discussion and distribution of the semestral project topics.
<i>Second week:</i>	Reporting and financial analysis (Reporting environment, public reporting, disclosure requirements from an IR perspective, purpose of accounting, accruals)	Assignments, quizzes and case studies related to the topic of the first week lecture.
<i>Third week:</i>	Financial Statements (Balance Sheet, Income Statement, Cash Flow, Vertical and Horizontal Analysis)	Assignments, quizzes and case studies related to the topic of the second week lecture.
<i>Fourth week:</i>	Assessment of financial position (Liquidity ratios, Profitability ratios)	Assignments, quizzes and case studies related to the topic of the third week lecture.
<i>Fifth week:</i>	Assessment of financial position (Asset Turnover Reports, Solvency Reports, DuPont Analysis)	Assignments, quizzes and case studies related to the topic of the forth week lecture.
<i>Sixth week:</i>	Financing decisions and forecasting financial performance (Financial Leverage, Financial Leverage Rate, Borrowing Amount, Choice of Maturity Structure-Inflation and Financing Strategy)	Assignments, quizzes and case studies related to the topic of the fifth week lecture.
<i>Seventh week:</i>	Investment risk and return on investment (Risk, Types and Sources of Risk, Expected Profit and Required Profit)	Assignments, quizzes and case studies related to the topic of the sixth week lecture.
<i>Eighth week:</i>	Midterm exam (colloquium)	Assignments, quizzes and case studies related to the topic of the seventh week lecture.
<i>Ninth week:</i>	Market and financial instruments	Assignments, quizzes and case studies related to the topic of the

	(Financial Instruments: Bonds, Ordinary Shares and Preferred Shares) (Financial Markets: Venture Capital Financing, Private Equity, Initial Public Offers, Emission Costs) (Efficient Markets: Efficient Market, Efficiency Implications)	eight week lecture.
<i>Tenth week:</i>	Valuation of Stocks and Bonds (Mathematical model of stock valuation and Mathematical model of bond valuation)	Assignments, quizzes and case studies related to the topic of the ninth week lecture.
<i>Eleventh week:</i>	Analysis of operational activities (Recognition of income, deferrals, employee, benefits, interest and taxes, non-recurring items)	Assignments, quizzes and case studies related to the topic of the tenth week lecture.
<i>Twelfth week:</i>	Capital Budgeting, Operational Plan and Forecasts (Budgeting Process, Operational Plan, Business Financial Forecasts)	Assignments, quizzes and case studies related to the topic of the eleventh week lecture.
<i>Thirteenth week:</i>	Breakeven Analysis (Profitability Point, Cost-Volume-Profit Analysis)	Assignments, quizzes and case studies related to the topic of the twelfth week lecture.
<i>Fourteenth week:</i>	Equity analysis and valuation (Earnings persistence, valuation-based earnings, winning power and forecasting)	Assignments, quizzes and case studies related to the topic of the thirtieth week lecture.
<i>Fifteenth week:</i>	Presentation and discussion of the students semestral projects.	Presentation of the course projects.
Academic policies and rules of conduct:		
- Students should be aware of and respect the institution and Code of ethics. - Students should respect the schedule of lectures, and exercises and be attentive. - It is mandatory to possess and presents a student ID card in the mid-terms and exam, - During the compilation of course projects, students must adhere to the instructions given by the professor. - During the exam is forbidden the use of mobile phones.		