

Financial Analysis

Knowledge and skills. FINANAL

- 1 The student analyzes accounting systems to examine their contribution to the fiscal stability of businesses. The student is expected to:** FINANAL.1
 - A** describe the nature and scope of accounting; and FINANAL.1A
 - B** examine accounting procedures for tracking money flow and determining financial status through the preparation of financial statements. FINANAL.1B

- 2 The student explores the use of financial resources. The student is expected to describe tools, strategies, and systems used to maintain, monitor, control, and plan the use of financial resources.** FINANAL.2

- 3 The student demonstrates mathematics knowledge and skills required when interpreting business operation documents. The student is expected to apply data to solve a problem; construct charts, tables, and graphs; and analyze data.** FINANAL.3

- 4 The student analyzes financial resources to ensure business solvency. The student is expected to:** FINANAL.4
 - A** describe the nature of budgets; FINANAL.4A
 - B** determine relationships among total revenue, marginal revenue, output, and profit; FINANAL.4B
 - C** calculate financial ratios; FINANAL.4C
 - D** interpret financial statements; FINANAL.4D
 - E** describe types of financial statement analyses such as ratio analysis and trend analysis; and FINANAL.4E
 - F** identify problems and issues with financial statements. FINANAL.4F

- 5 The student calculates business ratios to evaluate company performance. The student is expected to:** FINANAL.5
 - A** discuss the use of financial ratios in business finance; FINANAL.5A
 - B** use multiple ratios to evaluate company performance, including income, profitability, operating performance, liquidity, working capital, bankruptcy prediction, long-term analysis, coverage, debt, cash flow indicator, and investment valuation; and FINANAL.5B
 - C** discuss the use of benchmarks in analyzing ratios. FINANAL.5C

- 6 The student analyzes a financial statement. The student is expected to:** FINANAL.6

- A discuss the analysis of a company's financial situation using its financial statements; [FINANAL.6A](#)
 - B describe external forces affecting a company's value; [FINANAL.6B](#)
 - C explain how value is created for a company; [FINANAL.6C](#)
 - D understand and interpret financial statement notes; and [FINANAL.6D](#)
 - E evaluate results from the aspect of management, creditors, and investors. [FINANAL.6E](#)
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7 The student examines the nature and scope of risk management in finance. The student is expected to: [FINANAL.7](#)

- A discuss the nature of risk control such as internal and external controls; [FINANAL.7A](#)
 - B explain ways to assess risk; [FINANAL.7B](#)
 - C describe the importance of auditing risk control; [FINANAL.7C](#)
 - D discuss risk-control systems; [FINANAL.7D](#)
 - E describe the use of technology in risk management; [FINANAL.7E](#)
 - F discuss legal considerations affecting risk management; [FINANAL.7F](#)
 - G discuss the relationship between risk and business objectives; and [FINANAL.7G](#)
 - H evaluate a risk-management program. [FINANAL.7H](#)
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8 The student develops an understanding and working knowledge of annual reports. The student is expected to: [FINANAL.8](#)

- A discuss the objective of an annual report; [FINANAL.8A](#)
 - B identify the components of an annual report; [FINANAL.8B](#)
 - C identify laws and regulations that are applied to annual reports; and [FINANAL.8C](#)
 - D create an annual report. [FINANAL.8D](#)
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9 The student explores the role of ethics in finance. The student is expected to: [FINANAL.9](#)

- A explain the nature of business ethics; [FINANAL.9A](#)
 - B discuss the role of ethics in finance; and [FINANAL.9B](#)
 - C analyze the activities of Enron Corporation that led to the company's downfall. [FINANAL.9C](#)
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10 The student employs critical-thinking skills independently and in teams to solve problems and make decisions. The student is expected to: [FINANAL.10](#)

- A identify common tasks that require employees to use problem-solving skills; [FINANAL.10A](#)
- B analyze elements of a financial problem to develop creative solutions; [FINANAL.10B](#)

- C create and evaluate ideas, proposals, and solutions to financial problems; FINANAL.10C
 - D analyze financial information to determine its value to the problem-solving task; and FINANAL.10D
 - E identify and evaluate alternative financial solutions using a variety of problem-solving and critical-thinking skills. FINANAL.10E
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11 The student performs a case study analysis of a specific company to apply the concepts learned in the course and present the findings. The student is expected to: FINANAL.11

- A summarize the company's background; FINANAL.11A
- B analyze the company's history, development, and growth; FINANAL.11B
- C identify the company's strengths and weaknesses, internally; FINANAL.11C
- D describe the external environment; FINANAL.11D
- E evaluate the strengths, weaknesses, opportunities, and threats (SWOT) analysis; FINANAL.11E
- F examine the corporate and business level strategy; FINANAL.11F
- G investigate the structure and control systems; and FINANAL.11G
- H formulate recommendations. FINANAL.11H