

## 1. OVERVIEW

Subject Area	Financial Statement Analysis and Interpretation
Degree	Bachelor's Degree in Law
School/Faculty	Social Sciences and Communication
Year	First
ECTS	6 ECTS
Type	Core
Language(s)	Spanish
Delivery Mode	On-campus/Online
Semester	Second semester

## 2. INTRODUCTION

Financial Statement Analysis and Interpretation is a core subject area within the Bachelor's Degree in Law, worth 6 ECTS credits. The subject area introduces the student to one of the major areas of a business' economic affairs, namely finance. All areas of a business are interrelated, meaning any decision taken in one will have an impact on other areas.

It is therefore important to understand how financial decisions affect and are affected by other business areas.

Financial analysis is vital in professional practice, and therefore the subject area firstly covers some basic economic concepts needed to interpret and understand accounting information systems required of all businesses.

To this end, we will study the rules for the recording and valuation of assets and liabilities, and the preparation of financial statements.

Financial analysis is especially important for assessing the solvency of a company, estimating financing costs and conducting economic analysis to assess profitability.

Finally, we will carry out in-depth analysis of separate and consolidated financial statements of group companies in order to conduct a company valuation.

## 3. SKILLS AND LEARNING OUTCOMES

**Basic skills (CB, by their acronym in Spanish):**

- **CB1:** Students have shown their knowledge and understanding of a study area originating from general secondary school education, and are usually at the level where, with the support of more advanced textbooks, they may also demonstrate awareness of the latest developments in their field of study.

- **CB4:** Students can communicate information, ideas, problems and solutions to both specialist and non-specialist audiences.
- **CB5:** Students have developed the learning skills necessary to undertake further study in a much more independent manner.

**Cross-curricular skills (CT, by their acronym in Spanish):**

- **CT01.** Independent learning: Ability to choose the most effective strategies, tools and opportunities for independent learning and implementation of what has been learnt.
- **CT03.** Ability to put knowledge into practice, using the skills acquired through the study of mock situations based faithfully on real life issues in the relevant profession.
- **CT11.** Decision making: Ability to choose between different options or methods to effectively solve varied situations or problems.
- **CT12.** Teamwork: Ability to integrate and collaborate actively with other people, areas and/or organizations to reach common goals.

**Specific skills (CE, by their acronym in Spanish):**

- **CE04.** Ability to use new technology in the legal field: databases, case law, legislation, specific software.
- **CE06.** Ability to be diligent and responsible in the professional practice of a lawyer or other legal professional, staying up to date on legal matters.
- **CE09.** Ability to understand different legal systems in a globalised context.

**Learning outcomes (RA, by their acronym in Spanish):**

- **RA1.** Ability to interpret and analyse data contained in accounting information systems to inform economic and financial decision-making.
- **RA2.** Learn the basics of the accounting law that governs business activity, in order to be able to apply the Spanish General Accounting Plan (*Plan General de Contabilidad*) to the separate financial statements of any company and consolidated financial statements of a group of companies.
- **RA3.** Carry out the accounting process for a financial year, beginning with the valuation and recording of starting equity.
- **RA4.** Prepare financial statements and understand the recording and valuation rules established by the Conceptual Framework for Accounting (*Marco Conceptual de la Contabilidad*).
- **RA5.** Ability to analyse and interpret external accounting information on equity, the financial situation and performance of an economic unit, using the most suitable type of analysis: financial or economic.

The following table shows how the skills developed in the course match up with the intended learning outcomes:

Skills	Learning outcomes
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CB1, CB4, CB5, CT1, CT3, CT11, CE4, CE6, CE9	<b>RA1.</b> Ability to interpret and analyse data contained in accounting information systems to inform economic and financial decision-making.
CB1, CB4, CB5, CT1, CT3, CT11, CT12, CE4, CE6, CE9	<b>RA2.</b> Learn the basics of the accounting law that governs business activity, in order to be able to apply the Spanish General Accounting Plan ( <i>Plan General de Contabilidad</i> ) to the separate financial statements of any company and consolidated financial statements of a group of companies.
CB1, CB4, CB5, CT1, CT3, CT11, CT12, CE4, CE9	<b>RA3.</b> Carry out the accounting process for a financial year, beginning with the valuation and recording of starting equity.
CB1, CB4, CT1, CT3, CT12, CE4, CE6, CE9	<b>RA4.</b> Prepare financial statements and understand the recording and valuation rules established by the Conceptual Framework for Accounting ( <i>Marco Conceptual de la Contabilidad</i> ).
CB4, CB5, CT1, CT3, CT11, CT12, CE6, CE9	<b>RA5.</b> Ability to analyse and interpret external accounting information on equity, the financial situation and performance of an economic unit, using the most suitable type of analysis: financial or economic.

## 4. CONTENT

- Basic Economic Concepts
- Conceptual Framework for Accounting. Accounting Information Systems
- Rules for the Recording and Valuation of Equity Items
- Preparation of Financial Statements
- Financial Analysis: Concept and Methodology
- Cost Estimation of Financing
- Economic Analysis: Concept and Methodology
- Introduction to Separate and Consolidated Financial Statements
- Company Valuation

## 5. TEACHING/LEARNING METHODS

The types of teaching/learning methods are as follows:

- Lecture / Web conference
- Case studies
- Collaborative learning
- Problem-based learning

## 6. LEARNING ACTIVITIES

The types of learning activities, plus the amount of time spent on each activity, are as follows:

**On-campus delivery mode:**

Learning activity	Number of hours
Lectures	44 h
Asynchronous lectures	6 h

Legal problem-solving	8 h
Case studies	20 h
Group work	14 h
Tutorials	10 h
Independent working	40 h
Debates and discussions	5 h
Knowledge tests	3 h
<b>TOTAL</b>	<b>150 h</b>

#### Online Delivery Mode:

Learning activity	Number of hours
Reading of content	32.0
Legal problem-solving	10.0
Case studies	20.0
Writing reports and papers	20.0
Oral presentation of work via online seminars	10.0
Online tutorials	20.0
Independent working	35.0
Knowledge tests	3.0
<b>TOTAL</b>	<b>150 h</b>

## 7. ASSESSMENT

The assessment systems, plus their weighting for the final grade for the subject area, are as follows:

#### On-campus delivery mode:

Assessment system	Weighting
Knowledge test	40%
Oral presentation	20%
Case study/problem scenario	20%
Reports and papers	20%

#### Online Delivery Mode:

Assessment system	Weighting
Knowledge test	40%
Oral presentation	20%

Case study/problem scenario	20%
Reports and papers	20%

On the Virtual Campus, when you open the subject area, you can see all the details of your assessment tasks, including deadlines and assessment procedures.

## 8. BIBLIOGRAPHY

The recommended bibliography is indicated below:

- ORIOL AMAT (Análisis de los Estados Financieros: Fundamentos y aplicaciones. Ediciones de Gestión 2000)
- RIVERO, P (Análisis de balances y Estados complementarios. Editorial Pirámide)
- ALVAREZ MELCÓN, S (Consolidación de los Estados Contables. Editorial Mc Graw Hill)
- RIVERO, J Y RIVERO, M<sup>a</sup>. José (Análisis de los Estados Financieros Editorial Pirámide)
- MARTINEZ GARCÍA, F (Análisis de los Estados Contables. Editorial Pirámide)
- URIAS VALIENTE J. (Análisis de los Estados Financieros. Editorial Mc Graw Hill)