

General information			
Course co-ordinator		Tamara Cirkveni Filipović, PhD	
Course title		ANALYSIS AND AUDIT OF FINANCIAL REPORTS	
Study programme		Professional graduate study programme	
Course status		Obligatory	
Year	Semester	2	3
Value of credits and lecturing procedures		ECTS	6
		Number of hours (Lectures+Exercises+Seminars)	45 (30+15+0)

1. COURSE DESCRIPTION	
1.1. Objectives	
<p>The objective of the course is to enable the students to understand basic concepts and methods of financial reports' analysis for large entrepreneurs. Furthermore, the objective is for the students to master the analysis of individual financial reports in order for them to be able to independently select most adequate indicators, calculate them, explain and make a presentation of the findings. Students should be led to develop the ability for understanding financial reports' audit. The objective of the course is also to create foundations on which content from the Course "Controlling" in the IV. semester will be built-on.</p>	
1.2. Course enrolment conditions	
None	
1.3. Expected outcomes of the course	
<ol style="list-style-type: none"> 1. To classify and explain the methods of analysis of financial reports. 2. To apply the corresponding methods in the analysis of financial reports of middle-sized and large companies. 3. To interpret and evaluate the results emerging from the analysis of financial reports middle-sized and large companies. 4. To present the conclusions on the conducted analysis of financial reports for the needs of corporate governance and planning. 5. To break down and plan the audit of financial reports. 6. To present a critical review of auditor's opinion. 	
1.4. Course contents	
<p>Accounting process and analysis of financial reports. Classification of basic instruments and procedures of analysis of financial reports. Procedure of horizontal and vertical analysis of financial reports. Individual indicators of the analysis of financial reports (indicators of solvency, indebtedness, activity, cost-effectiveness, profitability, indicators of investment and money flow). Systems of indicators, and synthetic indexes of the analysis of financial reports – deductive and inductive indicators (indicators' system Du Pont, Altman index, Business Excellence Index and other). Analysis of influence of accounting policies on the financial situation and success of the company in business. Analysis of consolidated financial reports. Corporate analysis of financial reports and its correlation to corporate management and internal reporting by the management. Audit as precondition for fair reporting and preparing objective financial reports. Persons under obligation for audit. Basic audit principles. Audit procedure. Analysis of information from the audit report.</p>	
1.5. Teaching methods	<input checked="" type="checkbox"/> lectures <input type="checkbox"/> instruction <input checked="" type="checkbox"/> guided discovery learning <input checked="" type="checkbox"/> discussion <input checked="" type="checkbox"/> group/team learning <input type="checkbox"/> _____

1.6. <i>Comments</i>							
1.7. <i>Students' obligations</i>							
Students are obliged to be present at min. 50% of teaching hours (lectures) and to solve the task on the topic <i>Analysis of financial reports by means of individual indicators</i> for the company of their own choice.							
1.8. <i>Monitoring students' accomplishments</i>							
Attendance	0.5	Student's activity during lectures	0.5	Seminar paper	1.0	Experimental work	
Written exam	2.0	Oral exam		Essay		Research work	
Project		Permanent testing of student's knowledge	1.0	Written presentation		Practical work	
Portfolio		Independent task solving	1.0				
1.9. <i>Measuring the achievements of learning outcomes and evaluation and assessment of the results of students' work</i>							
The workload factor of each learning outcome stated in the Chapter 1.3. totals 1. A half of the workload factor for each learning outcome represents a minimum threshold for the achievement of the this learning outcome.							
During the semester evaluated are student's activity and independent task solving. The final exam is in a written form.							
The final grade is based on the total sum of grades obtained in the written exam (80%) and the seminar paper (20%).							
1.10. <i>Obligatory reading</i>							
<ol style="list-style-type: none"> 1. Mamić, S. et. al. (2017) <i>Analiza financijskih izvještaja</i>, Masmedia, Zagreb 2. Fridson, M., Alvarez, F. (2011) <i>Financial statement analysis</i>, Wiley & Sons: Canada 3. Barbić, J. et. al. (2008) <i>Korporativno upravljanje (poglavlje Analiza financijskih izvještaja)</i>, CROMA: Zagreb 							
1.11. <i>Optional reading</i>							
<ol style="list-style-type: none"> 1. Očko, J. i Švigir, A.: <i>Kontroling – upravljanje iz backstagea (poglavlje: Što se krije u financijskim izvještajima)</i>, Knjiga print d.o.o., Zagreb, 2009. 2. Bešvir, B.: <i>Kako čitati i analizirati financijske izvještaje</i>, RRiF plus, Zagreb, 2008. 3. <i>Prezentacije s predavanja nositelja kolegija</i>, 2018. 							
1.12. <i>Quality control which ensures the acquisition of the corresponding knowledge, skills and competences after the completion of the study.</i>							
At the end of the semester the students fill in an anonymous questionnaire. The comments, suggestions and information in the questionnaire and the evaluation procedures are to be used to improve lectures, exercises and other ways of work with students. Self-evaluation of teaching stuff is aimed at making some corrections in order to improve the quality of teaching.							
1.13. <i>Expected competences</i>							
<ul style="list-style-type: none"> - Well-developed analytical approach upon the analysis of financial reports of middle-sized and large companies. - Professional interpretation of the analysis of financial reports. - Well-developed analytical approach for providing a critical review of an auditor's opinion. 							