

General information			
Course co-ordinator		Anđelka Buneta, MSc, Senior Lecturer	
Course title		FINANCIAL RESTRUCTURING AND REHABILITATION OF COMPANY	
Study programme		Professional graduate study programme	
Course status		Obligatory	
Year	Semester	2	4
Value of credits and lecturing procedures		ECTS	7
		Number of hours (Lectures+Exercises+Seminars)	60 (30+30+0)

1. COURSE DESCRIPTION
<i>1.1. Objectives</i>
<p>The objective of the course is acquiring theoretical and practical knowledge which should enable the students to recognize the arising of financial crisis in the company and its consequences. The objective is to enable the students to, based on the data from financial reports and single financial indicators, diagnose the financial crisis and instruct them how to master the procedures applied while restructuring and rehabilitating the company due to financial "reorganization" of the company and ensuring its further development and growth. A part of the course covers the legal regulations in order to acquaint the students with legal consequences of possible bankruptcy or liquidation.</p>
<i>1.2. Course enrolment conditions</i>
None
<i>1.3. Expected outcomes of the course</i>
<ol style="list-style-type: none"> 1. to define the characteristics of financial crisis cycles, restructuring and rehabilitation of a company 2. to explain the characteristics and significance of the balance of financial reports 3. to apply analytical procedures upon revealing of the financial crisis 4. to define the main measures of financial restructuring 5. to create a restructuring and rehabilitation programme for the particular company 6. to develop the ability of critical thinking in view of restructuring and rehabilitation of a company
<i>1.4. Course contents</i>

<p>1) Basic characteristics of financial crisis, restructuring and rehabilitation of company. Term, types and phases of development of financial crisis. Warning signs and causes of financial crisis. 2) Financial characteristics and meaning of balance, profit and loss account and account of money flows. Neutral, positive and negative financial (dis)balance in the balance of accounts, profit and loss account and account of money flows. 3) Diagnosing financial crisis by using financial indicators and financial analysis models (Altman and Kralicek) – examples from business practice. 4) Restructuring and balance restatement. Restructuring and restatement of financial (dis)balance in the balance of accounts. Restructuring of assets and sources of financing, over-indebtedness, uncovered and hidden losses in balance sheet. 5) Restructuring and restatement of the profit and loss account. Quantifying profitability threshold. Restatement of financial (dis)balance in the profit and loss account. Measures of restructuring and readjustments of income and expenditure with the aim of exiting the business zone with a loss. 6) Restructuring and restatement of the account of money flows. Quantifying solvency threshold. Causes of company insolvency. Creating conditions for maintaining solvency. Optimal solvency. Measures of restructuring and restatement of money income and expenditure with the aim of making a company solvent. 7) Special types of restructuring and rehabilitation of company. Merger, consolidation and division of companies. Selling a part of the company or whole company. Restructure and rehabilitate or liquidate the companies? 8) Methodology of preparing and content of Program of restructuring and rehabilitation of company – example from business practice. 9) Pre-bankruptcy settlement with the aim of maintaining liquidity and solvency.</p>							
1.5. Teaching methods		<input checked="" type="checkbox"/> lectures <input type="checkbox"/> instruction <input type="checkbox"/> guided discovery learning <input checked="" type="checkbox"/> discussion <input checked="" type="checkbox"/> group/team learning <input type="checkbox"/> _____					
1.6. Comments							
1.7. Students' obligations							
<p>Attendance in classes – part time students are expected to be present at least 50% of the total teaching hours, whereas full time students are expected to be present at least 70% of the total teaching hours. In the case of student's inability to have the required attendance percentage, he/she will be required to write a seminar paper on the topic determined by the lecturer. The submission of the correct seminar paper represents the condition to take the exam.</p>							
1.8. Monitoring students' accomplishments							
Attendance	0.5	Student's activity during lectures	1.0	Seminar paper	2.5	Experimental work	
Written exam	3.0	Oral exam		Essay		Research work	
Project		Permanent testing of student's knowledge		Written presentation		Practical work	
Portfolio		Independent task solving					
1.9. Measuring the achievements of learning outcomes and evaluation and assessment of the results of students' work							
<p>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.</p> <p>During the semester evaluated are student's activity and their presentation of the company's restructuring programme (in point 1.8. expressed as "seminar work"). The final exam is in a written form.</p> <p>The final grade is based on the total sum of grades obtained in the written exam (80%) and the seminar paper (20%).</p>							

<p>1.10. <i>Obligatory reading</i></p>
<ol style="list-style-type: none"> 1. Marković, I.: Financijsko restrukturiranje i sanacija poduzeća, RRIF plus, Zagreb, 2010. 2. Brkanić, V. i drugi autori: Financijsko poslovanje i predstečajna nagodba, RRiF plus, Zagreb, 2012. 3. Buneta, A.: Nastavni materijali i prezentacije sa predavanja objavljeni na EduNet-i 2018.
<p>1.11. <i>Optional reading</i></p>
<ol style="list-style-type: none"> 1. Sučević, D.: Krizni menadžment, Lider, Zagreb, 2010. 2. Weston, J.F. - Mitchell, M.L. - Mulherin, J.H.: Takeovers, Restructuring and Corporate Governance, International Edition Pearson, Prentice Hall, 2007. 3. Weston, J.F. - Weaver, S.: Mergers and Acquisitions, McGraw Hill, 2004. 4. White, G.I. - Sondi, A.C. - Fried, D.: The Analysis and Use of Financial Statements, 3rd edition, John Wiley and Sons, New Jersey, 2003.
<p>1.12. <i>Quality control which ensures the acquisition of the corresponding knowledge, skills and competences after the completion of the study.</i></p>
<p>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.</p>
<p>1.13. <i>Expected competences</i></p> <ul style="list-style-type: none"> - Understanding the characteristics and significance of the balance of financial reports. - Critical application of analytical procedures upon revealing the financial crisis. - Understanding the main measures of financial restructuring. - Creation of the restructuring and rehabilitation programme of a certain company.