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Analysis and Use of Financial Statements

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Preface

Analysis and Uses of Financial Statements is designed for interested parties who must understand how to read, interpret, and analyze financial statements. This course describes in clear, concise, and understandable language the intricacies of financial statements, and their use by investors, creditors, analysts, and other interested parties.

This course can enhance your chance for success in business and investing; by enabling you to profit from the knowledge, insights, and perceptions of professionals who use financial statement analysis tools and techniques on a day-to-day basis. Realistic examples and illustrations of financial statement analysis are widely used in this course to make the subject matter crystal clear. That is the major objective of this course.

This course explains the objectives of financial statements in a meaningful manner. The accounting principles used in compiling financial statements and the qualitative characteristics of data appearing on financial statements are relevantly and reliably described. After a thorough overview of financial statements, major tools and techniques as explained, including:

- Horizontal and vertical analysis
- Common-size statements
- Ratio analysis
- Liquidity and activity ratios
- Profitability ratios
- Capital structure and solvency ratios
- Market test ratios
- Cash flow ratios

The significance of interim financial statements and segment reporting is explored, as are analysis of annual reports and management discussion and analysis (MDA). The analytical techniques discussed in this course are well within the limits of today's information technology. Once the concepts are understood, software can be used to eliminate much of the computational tedium involved.

Field of Study	Accounting
Level of Knowledge	Overview
Prerequisite	Basic Math
Advanced Preparation	None

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