MEDITERRANEAN INSTITUTE OF MANAGEMENT

Course Description

<table>
<thead>
<tr>
<th>1. Course Unit Title</th>
<th>Accounting and Financial Analysis</th>
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<tr>
<td>2. Course Unit Code</td>
<td>AFA110</td>
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<tr>
<td>3. Type of Course Unit</td>
<td>Compulsory</td>
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<td>4. Level of Course Unit</td>
<td>Master</td>
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<td>5. Year of Study</td>
<td>N/A</td>
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<td>6. Term</td>
<td>1st</td>
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<td>7. ECTS credits</td>
<td>7.5</td>
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<tr>
<td>8. Name of lecturer</td>
<td>Dr Melita Charitou</td>
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9. Learning Outcomes of the course unit

1. Explain what accounting is about.
2. Understand and list the main users of accounting information.
3. Present and explain the accounting equation, and how accounting transactions affect the items in the accounting equation.
4. Open ‘T’ accounts, understand how the double entry is used, and record transactions into individual accounts.
5. Prepare Trial Balance, Income Statement, and Balance Sheet. Explain how adjustments (e.g. prepayments, accruals, etc.) affect the financial statements.
6. Describe and illustrate accounting for corporations (students should be able to describe the nature of the corporate form of organization; describe and illustrate the characteristics of stock, classes of stock, and entries for issuing stock.
7. Understand the analysis of financial statements (students should be able to evaluate a firm’s current financial position using financial statements. They will examine the types of actions that a firm can take to improve its financial position in the future.
8. Understand the importance and role of finance in the organization. (students should be able to understand the importance role of finance plays in an organization’s efforts to maximize
shareholder’s wealth).
9. Understand and be able to apply time value of money concepts (students should be able to understand the present value, future value, annuity and the comparison of different interest rates.
10. Measure risk and rates of return (students will acquire the necessary knowledge and understanding to be able to measure the risk and return of an investment.
11. Understand the characteristics and valuation of Bonds and Stocks (students will have the skills and knowledge to be able to determine the market value of debt and equity, using different models.
12. Illustrate cash flow estimation for expansion projects and replacement projects. (students should be able to apply the valuation concepts to investment decisions involving the fixed assets of a firm. (capital budgeting)
13. To understand the cost of capital (students should be able to understand the types of capital that the firms use to finance investments and the cost of each capital component.

10. Mode of Delivery

Face- to- face

11. Prerequisites and co-requisites

None

12. Course Contents (Description, Objective)

The objective of the course is to introduce students to the main principles of accounting, including the accounting equation, the double entry system, the financial statements (i.e. Income Statement, Balance Sheet) and ratio analysis. Additionally, students learn about making decisions on planning, acquiring, and allocating funds for “their” business. Upon completion of the course students are able to understand the way firms finance, invest and manage themselves in the real market, how they analyze investment decisions and understand the choice of capital structure and its implications for the value of the firm.

1. Introduction to Accounting
2. Accounting Equation
3. Double entry syste
4. Accounting cycle
6. Financial Statement Analysis
7. Time Value of money
8. Risk and return
9. Bond and Common Stock Valuation
10. Capital Budgeting
11. Cost of capital

13. **Recommended or Required reading**

- Business Accounting 1, Wood, F. & Sangster, A, Pearson, 2018 (14\textsuperscript{th} ed.)
- Accounting principles, Weygant, Kieso & Kimmel, Wiley, 2015 (12\textsuperscript{th} ed.)
- Fundamentals of financial management, Brigham and Huston, 2018

**Journal articles:**


**Useful Websites:**

These websites (among others) could be of use to keep you updated with financial/economic developments.

http://www.economist.com/
http://www.businessweek.com/
http://www.bloomberg.com
http://money.cnn.com/
http://www.google.com/finance
http://www.stockwatch.com.cy/ (for Cyprus specifically)

Any major newspapers (foreign and local). e.g. Financial times & New York Times

14. **Planned learning activities and teaching methods**

Lectures, Presentations, Academic Paper Discussions, In-Class Exercises, Case Study Analysis and Discussion.

15. **Assessment methods and criteria**

Project: 30%
Final Exam: 60%
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<th>Participation/ Attendance: 10%</th>
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<th><strong>16. Language of Instruction</strong></th>
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<tbody>
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<td>English</td>
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<th><strong>17. Work Placement</strong></th>
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<td>Optional</td>
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