

## **Learning Objectives**

- Identify the basic financial statements included in the annual report and their purpose: the balance sheet, income statement, and statement of cash flows.
- Recognize auditing standards for internal control over financial reporting, including the Sarbanes-Oxley Act.
- Recognize techniques of horizontal analysis and vertical analysis.
- Calculate different types of ratios and analyze them.

### **Chapter 1: Annual Report: The Financial Statements**

- What and Why of Financial Statements
- Statement of Cash Flows

### **Chapter 2: Annual Report: Other Sections of the Report**

- Other Sections in the Annual Report
- SEC Reporting Requirements: Integrated Disclosure System

### **Chapter 3: Analysis of Financial Statements for Liquidity, Asset Utilization and Solvency**

- The Purpose and Value of Financial Statement Analysis
- Cash Flow Ratios and Solvency

### **Chapter 4: Analysis of Financial Statements for Profitability and Market Value**

- Profitability and Market Value Ratios
- Market Value Ratios
- Cash Flow Ratios
- An Overall Evaluation – Summary of Financial Ratios