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教育部高校工商管理类教学指导委员会双语教学推荐教材

工商管理经典教材·会计与财务系列

BUSINESS ADMINISTRATION CLASSICS

财务报表分析

英文版·第11版

K. R. 苏布拉马尼亚姆 (K. R. Subramanyam) 著

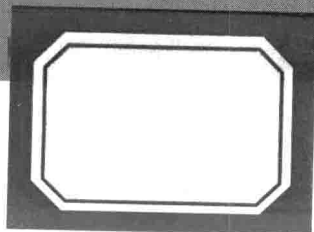
宋小明 改编

FINANCIAL STATEMENT ANALYSIS

..... 11th Edition

 中国人民大学出版社





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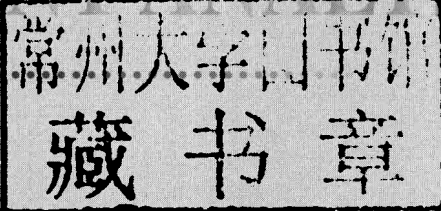
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总 序

随着我国加入 WTO,越来越多的国内企业参与到国际竞争中来,用国际上通用的语言思考、工作、交流的能力也越来越受到重视。这样一种能力也成为我国各类人才参与竞争的一种有效工具。国家教育机构、各类院校以及一些主要的教材出版单位一直在思考,如何顺应这一发展潮流,推动各层次人员通过学习来获取这种能力。双语教学就是这种背景下的一种尝试。

双语教学在我国主要指汉语和国际通用的英语教学。事实上,双语教学在我国教育界已经不是一个陌生的词汇了,以双语教学为主的科研课题也已列入国家“十五”规划的重点课题。但从另一方面来看,双语教学从其诞生的那天起就被包围在人们的赞成与反对声中。如今,依然是有人赞成有人反对,但不论是赞成居多还是反对占上,双语教学的规模 and 影响都在原有的基础上不断扩大,且呈大发展之势。一些率先进行双语教学的院校在实践中积累了经验,不断加以改进;一些待进入者也在模仿中学习,并静待时机成熟时加入这一行列。由于我国长期缺乏讲第二语言(包括英语)的环境,开展双语教学面临特殊的困难,因此,选用合适的教材就成为双语教学成功与否的一个重要问题。我们认为,双语教学从一开始就应该使用原版的各类学科的教材,而不是由本土教师自编的教材,从而可以避免中国式英语问题,保证语言的原汁原味。各院校除应执行国家颁布的教学大纲和课程标准外,还应根据双语教学的特点和需要,适当调整教学课时的设置,合理选择优秀的、合适的双语教材。

顺应这样一种大的教育发展趋势,中国人民大学出版社同众多国际知名的大出版公司,如麦格劳-希尔出版公司、培生教育出版公司等合作,面向大学本科生层次,遴选了一批国外最优秀的管理类原版教材,涉及专业基础课,人力资源管理、市场营销及国际化管理等专业方向课,并广泛听取有着丰富的双语一线教学经验的教师的建议和意见,对原版教材进行了适当的改编,删减了一些不适合我国国情和不适合教学的内容;另一方面,根据教育部对双语教学教材篇幅合理、定价低的要求,我们更是努力区别于目前市场上形形色色的各类英文版、英文影印版的大部头,将目标受众锁定在大学本科生层次。本套教材尤其突出了以下一些特点:

- 保持英文原版教材的特色。本套双语教材根据国内教学实际需要,对原书进行了一定的改编,主要是删减了一些不适合教学以及不符合我国国情的内容,但在体系结构和内容特色方面都保持了原版教材的风貌。专家们的认真改编和审定,使本套教材既保持了学术上的完整性,又贴近中国实际;既方便教师教学,又方便学生理解和掌握。

- 突出管理类专业教材的实用性。本套教材既强调学术的基础性,又兼顾应用的广泛性;既侧重让学生掌握基本的理论知识、专业术语和专业表达方式,又考虑到教材和管理实践的紧密结合,有助于学生形成专业的思维能力,培养实际的管理技能。

● 体系经过精心组织。本套教材在体系架构上充分考虑到当前我国在本科教育阶段推广双语教学的进度安排，首先针对那些课程内容国际化程度较高的学科进行双语教材开发，在其专业模块内精心选择各专业教材。这种安排既有利于我国教师摸索双语教学的经验，使得双语教学贴近现实教学的需要；也有利于我们收集关于双语教学教材的建议，更好地推出后续的双语教材及教辅材料。

● 篇幅合理，价格相对较低。为适应国内双语教学内容和课时上的实际需要，本套教材进行了一定的删减和改编，使总体篇幅更为合理；而采取低定价，则充分考虑到了学生实际的购买能力，从而使本套教材得以真正走近广大读者。

● 提供强大的教学支持。依托国际大出版公司的力量，本套教材为教师提供了配套的教辅材料，如教师手册、PowerPoint 讲义、试题库等，并配有内容极为丰富的网络资源，从而使教学更为便利。

本套教材是在双语教学教材出版方面的一种尝试。我们在选书、改编及出版的过程中得到了国内许多高校的专家、教师的支持和指导，在此深表谢意。同时，为我们后续推出的教材更适于教学，我们也真诚地期待广大读者提出宝贵的意见和建议。需要说明的是，尽管我们在改编的过程中已加以注意，但由于各教材的作者所处的政治、经济和文化背景不同，书中内容仍可能有不妥之处，望读者在阅读时注意比较和甄别。

徐二明
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改编者前言

与时俱进是当今时代做人做事的基本要求，也是一部良好的教材需要保持的基本品质之一。《财务报表分析》(Financial Statement Analysis)(第11版)及时把握会计领域的重要趋势，加入了美国 GAAP 最新准则和公告变化，结合国际财务报告准则(IFRS)的内容，在章节安排等方面做了一些调整，并在语言文字表达方面做了进一步润色。

关于本书的诸多优点，此处无须赘言。此次改编依然遵循之前的考虑，删去了以下几方面内容：(1)作者为增强效果而做的一些独具特色的创新性安排，如分析摘录(Analysis Excerpt)、分析观点(Analysis Viewpoint)、分析研究(Analysis Research)等；(2)章后附录；(3)部分练习题；(4)书后的系数表(Interest Tables)、参考文献(References)、索引(Index)。需要说明的是，根据读者意见反馈，此次改编保留了较多练习题。

这次改编尽最大可能保持了原教材的构架和风格，也考虑了国内教学和阅读的习惯。因改编者视野和水平所限，疏漏之处在所难免，望广大读者不吝指正。

宋小明

PREFACE*

Welcome to the eleventh edition of *Financial Statement Analysis*. This book is the product of extensive market surveys, chapter reviews, and correspondence with instructors and students. I am delighted that an overwhelming number of instructors, students, practitioners, and organizations agree with my approach to analysis of financial statements. This book forges a unique path in financial statement analysis, one that responds to the requests and demands of modern-day analysts. From the outset, a main goal in writing this book has been to respond to these needs by providing the most progressive, accessible, current, and user-driven textbook in the field. I am pleased that the book's reception in the United States and across the world has exceeded expectations.

Analysis of financial statements is exciting and dynamic. This book reveals keys to effective analysis to give readers a competitive advantage in an increasingly competitive marketplace. I know financial statements are relevant to the decisions of many individuals including investors, creditors, consultants, managers, auditors, directors, analysts, regulators, and employees. This book equips these individuals with the analytical skills necessary to succeed in business. Yet experience in teaching this material tells us that to engage readers we must demonstrate the relevance of analysis. This book continually demonstrates that relevance with applications to real world companies. The book aims to benefit a broad readership, ranging from those with a simple curiosity in financial markets to those with years of experience in accounting and finance.

ORGANIZATION AND CONTENT

This book's organization accommodates different teaching styles. While the book is comprehensive, its layout allows instructors to choose topics and depth of coverage as desired. Readers are told in Chapter 1 how the book's topics are related to each other and how they fit within the broad discipline of financial statement analysis. The book is organized into three parts:

1. Analysis Overview.
2. Accounting Analysis.
3. Financial Analysis.

ANALYSIS OVERVIEW

Chapters 1 and 2 are an overview of financial statement analysis. I introduce financial statement analysis as an integral part of the broader framework of business analysis. I examine the role of financial statement analysis in different types of business analysis

* 为保留原书概貌,除致谢部分,未对其他内容作任何删减。——改编者注

such as equity analysis and credit analysis. I emphasize the understanding of business activities—planning, financing, investing, and operating. I describe the strategies underlying business activities and their effects on financial statements. I also emphasize the importance of accrual accounting for analysis and the relevance of conducting accounting analysis to make appropriate adjustments to financial statements before embarking on financial analysis. I apply several popular tools and techniques in analyzing and interpreting financial statements. An important and unique feature is the use of Colgate's annual report as a means to immediately engage readers and to instill relevance. The chapters are as follows:

- *Chapter 1.* I begin the analysis of financial statements by considering their relevance to business decisions. This leads to a focus on users, including what they need and how analysis serves them. I describe business activities and how they are reflected in financial statements. I also discuss both debt and equity valuation.
- *Chapter 2.* This chapter explains the nature and purpose of financial accounting and reporting, including the broader environment under which financial statements are prepared and used. I highlight the importance of accrual accounting in comparison to cash accounting. I also introduce the concept of income and discuss issues relating to fair value accounting. The importance and limitations of accounting data for analysis purposes are described along with the significance of conducting accounting analysis for financial analysis.

ACCOUNTING ANALYSIS

To aid in accounting analysis, Chapters 3 through 6 explain and analyze the accounting measurement and reporting practices underlying financial statements. I organize this analysis around financing (liabilities and equity), investing (assets), and operating (income) activities. I provide insights into income determination and asset and liability measurement. Most important, I discuss procedures and clues for the analysis and adjustment of financial statements to enhance their economic content for meaningful financial analysis. The four chapters are:

- *Chapter 3.* Chapter 3 begins the detailed analysis of the numbers reflecting financing activities. The focus is on explaining, analyzing, interpreting, and adjusting those reported numbers to better reflect financing activities. Crucial topics include debt financing, leases, off-balance-sheet financing, and shareholders' equity. We discuss postretirement benefits in the chapter's appendix.
- *Chapter 4.* This chapter extends the analysis to investing activities. I show how to analyze and adjust (as necessary) numbers that reflect assets such as receivables, inventories, property, equipment, and intangibles. I explain what those numbers reveal about financial position and performance, including future performance.
- *Chapter 5.* Chapter 5 extends the analysis to special intercompany investing activities. I analyze intercorporate investments, including marketable securities, equity method investments and investments in derivative securities, and business combinations. Also, in an appendix I examine international investments and their reporting implications for financial statements.
- *Chapter 6.* This chapter focuses on analysis of operating activities and income. I discuss the concept and measurement of income as distinct from cash flows. I analyze accrual measures in yielding net income. I stress the difference between

comprehensive income and earnings during a period. Understanding recognition methods of both revenues and expenses is stressed. I analyze and adjust the income statement and its components, including topics such as restructuring charges, asset impairments, employee stock options, and accounting for income taxes.

FINANCIAL ANALYSIS

Chapters 7 through 11 examine the processes and methods of financial analysis (including prospective analysis). I stress the objectives of different users and describe analytical tools and techniques to meet those objectives. The means of analysis range from computation of ratio and cash flow measures to earnings prediction and equity valuation. I apply analysis tools that enable one to reconstruct the economic reality embedded in financial statements. I demonstrate how analysis tools and techniques enhance users' decisions—including company valuation and lending decisions. I show how financial statement analysis reduces uncertainty and increases confidence in business decisions. This section consists of five chapters and a Comprehensive Case:

- *Chapter 7.* This chapter begins our study of the application and interpretation of financial analysis tools. I analyze cash flow measures for insights into all business activities, with special emphasis on operating activities. Attention is directed at company and industry conditions when analyzing cash flows.
- *Chapter 8.* Chapter 8 emphasizes return on invested capital and explains variations in its measurement. Attention is directed at return on net operating assets and return on equity. I disaggregate both return measures and describe their relevance. I pay special attention to disaggregation of return on equity into operating and nonoperating components, as well as differences in margins and turnover across industries.
- *Chapter 9.* I describe forecasting and pro forma analysis of financial statements. I present forecasting of the balance sheet, income statement, and statement of cash flows with a detailed example. I then provide an example to link prospective analysis to equity valuation.
- *Chapter 10.* This chapter focuses on credit analysis, both liquidity and solvency. I first present analysis tools to assess liquidity—including accounting-based ratios, turnover, and operating activity measures. Then I focus on capital structure and its implications for solvency. I analyze the importance of financial leverage and its effects on risk and return. Analytical adjustments are explained for tests of liquidity and solvency. I describe earnings-coverage measures and their interpretation.
- *Chapter 11.* The final chapter emphasizes earnings-based analysis and equity valuation. The earnings-based analysis focuses on earnings quality, earnings persistence, and earning power. Attention is directed at techniques for measuring and applying these concepts. Discussion of equity valuation focuses on forecasting accounting numbers and estimating company value.
- *Comprehensive Case.* This case is a comprehensive analysis of financial statements and related notes. I describe steps in analyzing the statements and the essential attributes of an analysis report. Analysis is organized around key components of financial statement analysis: cash analysis, return on invested capital, asset utilization, operating performance, profitability, forecasting, liquidity, capital structure, and solvency.

KEY CHANGES IN THIS EDITION

Many readers provided useful suggestions through chapter reviews, surveys, and correspondence. I made several changes in response to their comments and suggestions.

The key changes to the eleventh edition are:

- **Updating Accounting Pronouncements.** I have updated the text to reflect the latest standards and pronouncements of US GAAP. I have also adopted the new codification system under US GAAP.
- **Incorporating IFRS.** IFRS has been growing in importance both in the United States and around the world. While there are not too many differences between IFRS and US GAAP, there do exist certain key differences. I have updated the text so as to also include references to IFRS and highlight differences from US GAAP when they occur. I have also added sections primarily devoted to certain items where the treatment under IFRS is very different from that under US GAAP.
- **Asset Revaluations under IFRS (Chapter 4).** Unlike US GAAP, IFRS allows upward revaluations of assets. I now include a separate section in Chapter 4 to address this issue.
- **Debt Financing (Chapter 3).** Chapter 3 now has a detailed section on debt financing, including accounting treatment, note disclosures, and analysis issues related to debt financing.
- **Restructuring Chapter 3.** The chapter on financing activities has been restructured. First, the new section on debt financing has been included. Second, the large section on postretirement benefits has now been moved to an appendix. This allows the flexibility of allowing those instructors who wish to cover postretirement benefits to do so, without burdening everyone with this complex topic. Third, the section on shareholders' equity has been updated and streamlined.
- **Colgate Continues as Featured Company.** I continue to use Colgate as our feature company, but now use a more recent annual report. Colgate provides a stable consumer products company to illustrate the analysis; it is also used to explain many business practices and is of interest to a broad audience. Campbell Soup is retained as another company for illustrations and assignments.
- **Streamlining and Updating the Text.** Chapters 1 through 6 have been streamlined and updated to improve presentation and lucidity of the writing. Several sections have been reorganized and rewritten to improve readability.
- **EOC Material Streamlined and Updated.** End-of-chapter material has been streamlined and updated to reflect changes to the text. I have also added many new problems and cases to respond to readers' suggestions.
- **Book Is Focused and Practical.** I continue to emphasize a streamlined and concise book with an abundance of practical applications and directions for analysis.

INNOVATIVE PEDAGOGY

People learn best when provided with motivation and structure. The pedagogical features of this book facilitate those learning goals. Features include:

- **Analysis Feature.** An article featuring an actual company launches each chapter to highlight the relevance of that chapter's materials. In-chapter analysis is performed on that company. Experience shows readers are motivated to learn when their interests are piqued.

- **Analysis Objectives.** Chapters open with key analysis objectives that highlight important chapter goals.
- **Analysis Linkages.** Linkages launch each chapter to establish bridges between topics and concepts in prior, current, and upcoming chapters. This roadmap—titled *A Look Back*, *A Look at This Chapter*, and *A Look Ahead*—provides structure for learning.
- **Analysis Preview.** A preview kicks off each chapter by describing its content and importance.
- **Analysis Viewpoint.** Multiple role-playing scenarios in each chapter are a unique feature that show the relevance of financial statement analysis to a wide assortment of decision makers.
- **Analysis Excerpt.** Numerous excerpts from practice—including annual report disclosures, newspaper clippings, and press releases—illustrate key points and topics. Excerpts reinforce the relevance of the analysis and engage the reader.
- **Analysis Research.** Multiple short boxes in each chapter discuss current research relevant to the analysis and interpretation of financial statements.
- **Analysis Annotations.** Each chapter includes marginal annotations. These are aimed at relevant, interesting, and topical happenings from business that bear on financial statement analysis.
- **Analysis Feedback.** End-of-chapter assignments include numerous traditional and innovative assignments augmented by several cases that draw on actual financial statements such as those from American Airlines, Best Buy, Campbell Soup, Cendant, Citicorp, Coca-Cola, Colgate, Delta Airlines, Kimberly-Clark, Kodak, Marsh Supermarkets, Merck, Microsoft, Newmont Mining, Philip Morris, Quaker Oats, Sears, TYCO, Toys “R” Us, United Airlines, Walt Disney, and Wal-Mart. Assignments are of four types: *Questions*, *Exercises*, *Problems*, and *Cases*. Each assignment is titled to reflect its purpose—many require critical thinking, communication skills, interpretation, and decision making. This book stands out in both its diversity and number of end-of-chapter assignments. Key check figures are selectively printed in the margins.
- **Analysis Focus Companies.** Entire financial statements of two companies—Colgate and Campbell Soup—are reproduced in the book and used in numerous assignments. Experience shows that frequent use of annual reports heightens interest and learning. These reports include notes and other financial information.

TARGET AUDIENCE

This best-selling book is targeted to readers of all business-related fields. Students and professionals alike find the book beneficial in their careers as they are rewarded with an understanding of both the techniques of analysis and the expertise to apply them. Rewards also include the skills to successfully recognize business opportunities and the knowledge to capitalize on them.

The book accommodates courses extending over one quarter, one semester, or two quarters. It is suitable for a wide range of courses focusing on analysis of financial statements, including upper-level “capstone” courses. The book is used at both the undergraduate and graduate levels, as well as in professional programs. It is the book of choice in modern financial statement analysis education.

SUPPLEMENT PACKAGE

This book is supported by a wide array of supplements aimed at the needs of both students and instructors of financial statement analysis. They include:

- **Book Website.** [<http://www.mhhe.com/subramanyam11e>] The Web is increasingly important for financial statement analysis. This book has its own dedicated Online Learning Center, which is an excellent starting point for analysis resources. The site includes links to key websites as well as support materials for both instructors and students.
- **Instructor's Solutions Manual.** An Instructor's Solutions Manual contains complete solutions for assignments. It is carefully prepared, reviewed, and checked for accuracy. The Manual contains chapter summaries, analysis objectives, and other helpful materials. It has transition notes to instructors for ease in moving from the tenth to the eleventh edition. It is available on the Online Learning Center.
- **Test Bank.** The Test Bank contains a variety of test materials with varying levels of difficulty. All materials are carefully reviewed for consistency with the book and thoroughly examined for accuracy. It is available on the Online Learning Center.
- **Chapter Lecture Slides.** A set of PowerPoint slides is available for each chapter. They can be used to augment the instructor's lecture materials or as an aid to students in supplementing in-class lectures. It is available on the Online Learning Center.
- **Casebook Support.** Some instructors augment the book with additional case materials. While practical illustrations and case materials are abundant in the text, more are available. These include (1) Create custom case selection [www.mcgrawhillcreate.com] and (2) *Financial Shenanigans*—ISBN: 978-0-07-138626-5(0-07-138626-2).
- **Customer Service.** 1-800-331-5094 or access <http://www.mhhe.com>

For the eleventh edition I would like to acknowledge the services of Bryce Schonberger, who helped with updating exhibits and preparing EOC material.

We acknowledge permission to use materials adapted from examinations of the Association for Investment Management and Research (AIMR) and the American Institute of Certified Public Accountants (AICPA). Also, we are fortunate to work with an outstanding team of McGraw-Hill Education professionals, extending from editorial to marketing to sales.

Special thanks go to my family for their patience, understanding, and inspiration in completing this book, and I dedicate the book to them.

K. R. Subramanyam

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Appendix A

CHAPTER ONE

OVERVIEW OF FINANCIAL STATEMENT ANALYSIS

1

ANALYSIS OBJECTIVES

- Explain business analysis and its relation to financial statement analysis.
- Identify and discuss different types of business analysis.
- Describe component analyses that constitute business analysis.
- Explain business activities and their relation to financial statements.
- Describe the purpose of each financial statement and linkages between them.
- Identify the relevant analysis information beyond financial statements.
- Analyze and interpret financial statements as a preview to more detailed analyses.
- Apply several basic financial statement analysis techniques.
- Define and formulate some basic valuation models.
- Explain the purpose of financial statement analysis in an efficient market.

A LOOK AT THIS CHAPTER •

We begin our analysis of financial statements by considering its relevance in the broader context of business analysis. We use Colgate Palmolive Co. as an example to help us illustrate the importance of assessing financial performance in light of industry and economic conditions. This leads us to focus on financial statement users, their information needs, and how financial statement analysis addresses those needs. We describe major types of business activities and how they are reflected in financial statements. A preliminary financial analysis illustrates these important concepts.

A LOOK AHEAD >

Chapter 2 describes the financial reporting environment and the information included in financial statements. Chapters 3 through 6 deal with accounting analysis, which is the task of analyzing, adjusting, and interpreting accounting numbers that make up financial statements. Chapters 7 through 11 focus on mastering the tools of financial statement analysis and valuation. A comprehensive financial statement analysis follows Chapter 11.