



1. General Information

Course Subject	ACCT
Course Number	3114
Course Title	Valuation Using Financial Statements
Academic Years	2025-2026
Grading Method	Letter

2. Instructors

Professor LUO Wei
Office: Room 1306 13/F K.K. Leung Building
Email: luowei@hku.hk
Office: 3910 3080

4. Course Description

Course Description	<p>This course will provide students with a valuation framework that integrates strategy, accounting and corporate finance. This course will help students become “sophisticated users” of financial accounting information from valuation perspective. Students will learn how to evaluate the financial consequences of various business decisions and how to estimate the value of equity and debt securities. Students are expected to master financial analysis techniques and develop valuation-related skills to assess firm performance and make reasonable valuation estimates.</p> <p>Based on extensive use of real-world case studies, this course will foster critical thinking of students about credibility of accounting information, efficiency of capital markets, and effectiveness of business decisions by managers of both public and private firms. The course aims to establish a link between the valuation framework and applications in business, i.e. management consulting, security research reporting, credit and loan assessment as well as mergers and acquisitions.</p>
Prerequisites	ACCT1101: Introduction to Financial Accounting ACCT2102: Intermediate Financial Accounting I
Free Elective	Yes

5. Course Objectives

1. This course will provide students with the theoretical frameworks and practical tools needed to perform financial statement analysis and valuation. By the end of the course, students should be comfortable

- (1) assessing accounting information quality under different accounting standards (US GAAP, IFRS, China Accounting Standards),
- (2) making valuation estimates for a security (both equity and debt), and
- (3) identifying valuation challenges of firm life cycle and different capital markets (US, Hongkong, and Mainland China).

6. Faculty Learning Goals

6. Faculty Learning Goals
Goal 1: Acquisition and internalization of knowledge of the programme discipline
Goal 2: Application and integration of knowledge
Goal 3: Inculcating professionalism
Goal 4: Developing global outlook
Goal 5: Mastering communication skills
Goal 6: Cultivating leadership

7. Course Learning Outcomes						
Course Teaching and Learning Activities	Aligned Faculty Learning Goals					
	1	2	3	4	5	6
CLO1. Students will be able to assess earnings quality and evaluate whether a firm's accounting policies capture the underlying business reality.	✓	✓	✓	✓		
CLO2. Students will be able to interpret and reformulate financial statements for the purpose of valuation, and perform financial statement analysis;	✓	✓		✓	✓	
CLO3. Students will be able to assess the firm's value proposition and identify its key value drivers and risks.	✓	✓		✓	✓	
CLO4. Students will be able to develop proper forecasts of a firm's performance and apply appropriate valuation methods for a security	✓	✓		✓	✓	
CLO5. Students will understand the limitation and flexibility in the application of valuation models and use professional judgment in dealing with complicated issues in evaluating a real-company			✓			✓

8. Course Teaching and Learning Activities		
Course Teaching and Learning Activities #	Expected Study Hours	Study Load (% of study)
T&L1. Interactive Lectures	33	27.5
T&L2. Group Project and Presentation	51	42.5
T&L3. Assignments and Self-study	36	30
	Total: 120	Total: 100

9. Assessment Methods			
Assessment Methods	Description	Weight %	Aligned Course Learning Outcomes
A1. Class Participation		15%	1,2,3,4,5
A2. Homework Assignments		20%	1,2,3,4
A3. Group Project	Depth and breadth of Coverage, critical elements, structure, language and conventions	45%	1,2,3,4,5

9. Assessment Methods

A4. Two In-Class Quizzes	There will be two in-class quizzes that include multiple-choice questions and problem-solving questions.	20%	1,2,3,4
--------------------------	--	-----	---------

Assessment Rubrics

A1. Class Participation	
A+,A,A-	Extremely well prepared for class discussion, active in sharing views and attended at least 90% of classes.
B+,B,B-	Partially prepared for class discussion, quite active in sharing views and attended at least 80% of classes.
C+,C,C-	Not well prepared for class discussion, limited active in sharing views and attended at least 70% of classes.
D+,D	Not well prepared for class discussion, no sharing of views and attended at least 60% of classes.
F	Poorly prepared for class discussion and no sharing of views and experience and attended less than 60% of classes.
A2. Homework Assignments	
A+,A,A-	Submitted all assignments with more than 90% accuracy.
B+,B,B-	Submitted at least 80% of assignments with more than 80% accuracy.
C+,C,C-	Submitted at least 70% of assignments with more than 70% accuracy.
D+,D	Submitted at least 60% of assignments with more than 60% accuracy.
F	Submitted less than 60% of assignments with less than 60% accuracy.
A3. Group Project	
A+,A,A-	All aspects are addressed and researched in great depth. Demonstrate a clear understanding of and the ability to apply the theory, concepts and issues relating to the topic. Clearly identify the most critical aspects of the task and adopt a critical perspective. Develop excellent argument and offer a logically consistent and well-articulated analysis and insight into the subject. Draw widely from the academic literature and elsewhere whilst maintaining relevance. All aspects conform to a high academic / professional standard.
B+,B,B-	Most aspects are addressed and researched in depth. Demonstrate a good understanding and some application of the theory and issues relating to the topic. Identify critical aspects of the task and adopt a critical perspective. Show some evidence of analysis, supported by logical argument and insight into the subject. Draw on relevant academic and other material. Most aspects conform to a high academic / professional standard.
C+,C,C-	Most aspects are addressed and researched adequately. Demonstrate a good understanding of the theory, concepts and issues relating to the topic but limited application relating to the topic. Some presented arguments show some insight but not always consistent and logical. Draw upon an adequate range of academic and other material. Most aspects conform to an acceptable academic / professional standard.

Assessment Rubrics	
D+,D	Basic aspects are addressed and researched adequately. Demonstrate mainly description, showing basic understanding of the topic but no application. Show little evidence of analysis but no clear and logical argument relating to the subject. Draw primarily upon course materials. Limited aspects conform to academic / professional standards.
F	Basic aspects are superficial, inadequate or absent. Demonstrate limited understanding of the topic and draw conclusions unrelated to the topic. The written work is not of an academic / professional standard.
A4. Two In-Class Quizzes	Grading criteria for calculation problems and multiple-choice questions:
A+,A,A-	Provide accurate solutions to all problems, give detailed and insightful responses to all essay questions and score correctly on more than 90% of the multiple choice questions
B+,B,B-	Provide accurate solutions to most problems, give detailed responses to most essay questions and score correctly on more than 80% of the multiple choice questions
C+,C,C-	Provide accurate solutions to some problems, give limited responses to some essay questions and score correctly on more than 70% of the multiple choice questions
D+,D	Provide accurate solutions to a few problems, give unclear responses to most essay questions and score correctly on more than 60% of the multiple choice questions
F	Skip some problems or provide inaccurate solutions to most problems, give poor responses to most essay questions and score correctly on less than 60% of the multiple choice questions

10. Course Grade Descriptors	
A+,A,A-	Overall assessments reach 90.
B+,B,B-	Overall assessments reach 80 but less than 90.
C+,C,C-	Overall assessments reach 70 but less than 80.
D+,D	Overall assessments reach 60 but less than 70.
F	Overall assessments are less than 60.

11. Course Content and Tentative Teaching Schedule	
Topic/ Session	Content
1	Understanding of financial statements
2	Revenue Recognition
3	Expenses
4	Consolidation
5	Accounting Quality
6	Valuation models
7	Risks and Debt Covenants
8	Analysis of Profitability/Growth

11. Course Content and Tentative Teaching Schedule

9	Forecasting
10	Mergers and acquisitions
11	IPO
12	Group Presentation

12. Required/Recommended Readings & Online Materials

Reading	<p>There is no required textbook for this course. I recommend two reference books:</p> <p>(1) Palepu K. G., P. M. Healy, and E. Peek (2019), Business Analysis and Valuation: IFRS Edition (Cengage Learning), 5th edition.</p> <p>(2) Koller T., M. Goedhart, and D. Wessels (2020), Valuation: Measuring and Managing the Value of Companies (McKinsey and Co.), 7th edition.</p>
---------	---

13. Means / Processes for Student feedback on Course

✓	Conducting mid-term survey in additional to SETL around the end of the semester
	Online response via Moodle site
	Others

14. Course Policy

- Students should comply with HKU's requirement of Academic Integrity and Ethics.
- Students are required to attend all the classes on time. Any absence due to personal or family issues needs the approval of instructor.
- As the course is interactive, every student should be ready to contribute to class discussion when called upon. Active participation is expected and encouraged.