**North East School Division**

**Unpacking Outcomes**   
Module 24: Financial Statement Analysis in Management Accounting (Core)

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| **Unpacking the Outcome** | | |
| Justify --> financial statement analysis | | |
| **Outcome**(circle the verb and underline the qualifiers) | | |
| Justify how financial statement analysis assists management with decision-making. | | |
| **KNOW** | **UNDERSTAND** | **BE ABLE TO DO** |
| Vocabulary:  Examples of ratios:   * current, quick or acid test, inventory turnover, debt and equity, return on owners’ equity, markup, and return on sales (\*1)   Working Capital  Quick Assets  Comparative Statements  Trend Analysis | That  Managers must analyze financial statement using trends, percentages, and rations from the data available.  There is information that provides information regarding both short term strength and long term strength of a business.  The calculations provides information to investors, managers and creditors of the business. | 1. Examine and outline the purpose of financial statement analysis in management accounting. 2. Review what information financial statements provide and to whom financial statements may be of use. 3. Analyze financial statements and express trends and changes using comparative balance sheets and comparative income statements. 4. Investigate how a manager would interpret trends and changes (e.g., a slight increase/ decrease in net sales from one month to another). 5. Analyze financial statements and express the strengths and weaknesses of a business using ratios \*1. 6. Examine the performance earnings and efficiency analysis and describe how they support management decision making. |
| **ESSENTIAL QUESTIONS** | | |
| What are the businesses financial strengths and weaknesses in both the long and short term?  How do you compare aspects of one company to another? | | |