

## CHAPTER OVERVIEW

### 2: Financial Statement Analysis

#### Learning Objectives

After completing this chapter, students should be able to

- Discuss the purpose and key issues associated with the income statement, balance sheet, and statement of cash flows
- Identify the three components of the statement of cash flows and interpret each of the three components
- Calculate and interpret key financial ratios
- Calculate and interpret a common size income statement and common size balance sheet
- Discuss and apply the concept of trend analysis, including both its strengths and weaknesses
- Discuss and apply the concept of comparative analysis, including both its strengths and weaknesses
- Identify key users of financial statement analysis
- Identify potential strengths and weaknesses for a firm, given financial statements for the firm and industry (or competitor)
- Discuss and interpret the many issues associated with financial statement analysis (such as seasonality, context, etc.)

[2.1: Key Financial Statements](#)

[2.2: Financial Statements Analysis](#)

[2.3: Who Uses Financial Statement Analysis?](#)

[2.4: Putting it All Together](#)

[2.5: Key Takeaways](#)

[2.6: Exercises](#)

[2.7: Problems](#)

[2.8: References and Attributions](#)

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