



Syllabus Course Program



BUSINESS DIAGNOSTIC

Specialty

073 – Management

Educational program

Business-administration

Level of education

Master's level

Semester

1

Institute

Institute of Education and Science in Economics,
Management and International Business

Department

Management (204)

Course type

Special (professional), Mandatory

Language of instruction

English

Lecturers and course developers

**Olena Prokhorenko**

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PhD in Economic Sciences, Associate Professor, Head of Department of Management

Authored and co-authored over 60 scientific and methodological publications. Senior lecturer of courses “Strategic Change Management”, “Self-Management”, “Business Diagnostics”

More about the lecturer on the department's website

<https://web.kpi.kharkov.ua/mto/about/staff/prokhorenko-2/>

General information

Summary

Business diagnostics is a comprehensive study of economic activity of the enterprise based on past and current data, as well as forecasting the future state for management decisions on economic policy.

Course objectives and goals

Formation of students' theoretical knowledge and practical skills to determine the objective state of the selected parameters of the enterprise in accordance with the goals and objectives; study of deviations from the normal state of the economic activity, the causes and consequences of these deviations formation of conclusions and recommendations.

The course tasks are following:

- research of modern theories of change management and possibilities of their practical application;
- mastering the methods of evaluating external drivers of change and the strategic potential of change;
- familiarization with the mechanisms of assessment, mitigation and elimination of resistance to strategic changes at enterprises;
- outlining the role of corporate culture and mastering the tools of its development in conditions of strategic changes;
- mastering modern methods of strategic change management

Format of classes

Interactive lectures, Workshops, Consultations, Self-study, Individual task. The final control is differentiated grading.

Competencies

GC3 Ability to use an Information and communication technologies;

GC4. Ability to motivate people and to move towards a common goal

GC6. Ability to generate new ideas (creativity);

GC 7 Ability to abstract thinking, analysis and synthesis

SC1. Ability to choose and use management concepts, methods and tools, including in accordance with defined goals and international standards;

SC7. Ability to develop and manage projects, take the initiative and demonstrate entrepreneurial capability;

SC10. The ability to manage an organization and its development.

Learning outcomes

LO 02. To identify organizational problems and justify methods for solving them.

LO 04. To justify and manage projects, generate entrepreneurial ideas.

LO 06. To plan an organization's activities from both strategic and tactical perspectives.

LO 07. To organize and carry out effective communications within the team, with representatives of various professional groups and in the international context

LO 09. To be able to communicate in professional and academic circles in the official language of Ukraine and in a foreign language.

LO 11. To ensure professional self-development and personal time planning

LO 13 To be able to delegate authority and control of an organization (unit)

Student workload

The total volume of the course is 120 hours (4 ECTS credits): Lectures - 32 hours, Workshops - 16 hours, self-study - 72 hours.

Course prerequisites

The course is initial and it requires knowledge at the level of bachelor programme

Features of the course, teaching and learning methods, and technologies

Presentations, discussions, workshops, case-based learning, individual research work, preparation the individual task on the base of independent research. Study materials are available to students through OneDrive.

Program of the course

Topics of the lectures

Topic 1. The basic of business-analysis. Business activity description. Business model

Topic 2. Balance-sheet analysis

Topic 3. Profit and loss statement analysis

Topic 4. Operation ratios. Days of collection. Inventory days. Days of payment

Topic 5. Corporate liquidity. Long and short analysis

Topic 6. Cash cycle.

Topic 7. Cash flow statement. Cash reconciliation

Topic 8. Financial Forecast

Topic 9. Diagnosis. Need of funds ad working capital

Topic 10. Specific cases: overtrading and undertraining

Topic 11. Rating company's score

Topic 12. Company's value

Topic 13. Action plan.

Topics of the workshops

Topic 1. Defining an object (organization) for the preparation of an individual task

Topic 2. Balance-sheet analysis. Horizontal and vertical BS

Topic 3. Profit and loss statement analysis. OPEX components

Topic 4. Operation ratios. Days of collection. Inventory days. Days of payment. Working capital cycle. «Du Pont» model

Topic 5. Corporate liquidity. Long and short analysis. Financial leverage

Topic 6. Cash cycle. Depreciation and amortization

Topic 7. Cash flow statement. Cash reconciliation. Long and short analysis of cash flow

Topic 8. Financial Forecast. Case solving. Written assignments.

Topic 9. Diagnosis. Need of funds and working capital. Case solving. Written assignments.

Topic 10. Specific cases: overtrading and undertrading. Case solving.

Topic 11. Rating company's score. Altman Z-score

Topic 12. Company's value. Case-study. Making calculations

Topic 13. Action plan. Case-study. Discussions.

Topics of the laboratory classes

no laboratory classes.

Self-study

An individual task has an applied character and consists of an analysis activity of a certain enterprise, the diagnosis of its financial condition and the substantiation of proposals for its improvement. The student performs a diagnosis based on financial statements (balance sheet and profit and loss account) of one of three variants.

When performing the work, the student must calculate a number of indicators, considered at the classes, trace their dynamics. Also, the student should explain whether it is a positive or negative trend, describe the possible causes of such a trend and suggest ways to improve the situation.

For simplicity of work students are offered a template in which calculations can be made.

Course materials and recommended reading

1. Ciaran Walsh, 2003. Key Management Ratios. Prentice Hall. Financial Times
2. Mazzarol, T. (2014). Small business diagnostic: what does it tell us about SMEs?.
3. International Trade Centre (ITC) A Guide to Diagnose a Business and its Management Geneva: ITC, 2014. xiii, 58 pages <https://www.iiba.org/>
4. Accounting: Tools for Business Decision Makers <https://www.just.edu.jo/~mqais/CIS252/Accounting.pdf>
5. Project Institute. "Business Analysis for Practitioners: A practice guide." Project Management Institute, 2015.
6. Palepu, Krishna G., and Paul M. Healy. Business analysis and valuation. South-Western, Cengage Learning, 2013.
7. Швиданенко Г. О., Дмитренко А. І. Бізнес-діагностика підприємства : навч. посіб. [Електронний ресурс] / Г. О. Швиданенко, А. І. Дмитренко. — К. : КНЕУ, 2013. — 448, [4] с
8. Воронкова А.Е. Діагностика стану підприємства: теорія і практика : монографія / А.Е. Воронкова. – Харків : Вид-во "ІНЖЕК", 2008. – 520 с.
9. Сак, Тетяна Василівна. "Бізнес-діагностика: курс лекцій." (2022).
10. Економічна діагностика : підручник / В. Л. Дикань, І. В. Токмакова, В. О. Овчиннікова та ін. – Харків : УкрДУЗТ, 2022. – 285 с.

Assessment and grading

Criteria for assessment of student performance, and the final score structure

100% Final assessment as a result of final test (30%) and Continuous assessment (70%).

30% Final online test

70% Continuous assessment:

20% practical assessment (including problem sheets, case-studies);

50% individual task

Grading scale

Total points	National	ECTS
90–100	Excellent	A
82–89	Good	B
75–81	Good	C
64–74	Satisfactory	D
60–63	Satisfactory	E
35–59	Unsatisfactory (requires additional learning)	FX
1–34	Unsatisfactory (requires repetition of the course)	F

Norms of academic integrity and course policy

The student must adhere to the Code of Ethics of Academic Relations and Integrity of NTU "KhPI": to demonstrate discipline, good manners, kindness, honesty, and responsibility. Conflict situations should be openly discussed in academic groups with a lecturer, and if it is impossible to resolve the conflict, they should be brought to the attention of the Institute's management.

Regulatory and legal documents related to the implementation of the principles of academic integrity at NTU "KhPI" are available on the website: <http://blogs.kpi.kharkov.ua/v2/nv/akademichna-dobrochesnist/>

Approval

Approved by

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