

MODULE: FINANCIAL REPORTING: CONCEPTS AND PRACTICE

Semester:	II (Spring)
Stage:	II
Number of Credits:	4 semester credits/6 quarter units
Theme:	Finance
Assessment Weighting:	20% Coursework and 80% Final Examination

INTRODUCTION

To build on the basic techniques learned in Financial Accounting 1 & 2 and to further develop knowledge and understanding of more advanced financial accounting concepts and principles. Candidates will be required to apply this understanding by preparing and interpreting financial reports in a practical context.

AIMS

The aims of this module are:

- To further develop students knowledge, understanding and application of accounting concepts and techniques
- To provide students with the opportunity to apply this understanding by preparing and interpreting financial reports in a practical context
- To ensure students can interpret financial statements for incorporated enterprises, partnerships and sole traders

LEARNING OUTCOMES

On completion of this module students should be able to:

- Appraise and apply specified accounting concepts and theories to practical work place situations
- Appraise and apply the regulatory framework of financial reporting
- Prepare financial statements for different entities to comply with the Companies Acts and specified Accounting standards and other related pronouncements
- Prepare basic financial statements for sample groups
- Analyse, interpret and report on financial statements (including cash flow statements) and related information to a variety of user groups
- Discuss and apply the requirements of other specified accounting standards

SYLLABUS

Accounting Principles; Concepts and Theory
Statement of Principles for Financial Reporting
Revenue recognition
Substance over form

Accounting Treatments
Definition, classification and valuation of assets
Accounting procedures for tangible fixed assets – SSAP 4, FRS 15
Valuation of intangible assets – SSAP 13
Valuation concepts applies to current assets – SSAP 9
Definition, classification and valuation of liabilities
Accounting principles applied to provisions and contingencies – FRS 12
Post balance sheet events – SSAP 17

Preparation and Presentation of Financial Statements for Limited Companies and other entities:

Accounting for share capital and reserves
Issue and redemption of shares
Distributable profits
Form and content of published financial statements
Accounting and disclosure requirements of the Companies Acts and Accounting Standards including:
FRS 3 – Reporting Financial Performance
FRS 18 – Accounting Policies

Preparation of Financial Statements for Groups of Companies
Definition of subsidiary companies
Exclusions from consolidations
Preparation of basic consolidated financial statements (excluding cash flow statements)
Treatment of Goodwill – FRS 10

Analysis and Interpretation of Financial Statements and related information
Analysis of corporate information
Reports on financial performance for various user groups
Preparation of basic cash flow statements for limited liability companies
Related party transactions
Segmental information

TEACHING AND LEARNING METHODS

The module will be delivered by means of formal and participative lectures. These will be supplemented by course notes on specific issues that may require closer examination, analysis and research. Class work and directed assignments will be allocated on a regular basis. Students will be required to complete the necessary assignments throughout the module. Students will be advised on how to undertake the assignments both in terms of research and the presentation format involved.

ASSESSMENT METHODS

20% of the marks are allocated to coursework to ensure the students have understood the concepts presented in lectures. Assignments will include the presentation, interpretation and discussion of accounting principles, theories and accounting statements. 80% of the marks are allocated to the end of term examination.

PRIMARY READING LIST

Business Accounting 2, Wood, F., Pitman Publishing (2000)

RECOMMENDED READING LIST

Accounting Theory and Practice, 7th Edition, Glautier, MWE & Underdown, B., Pitman (2000)

Financial Accounting and Reporting, 6th Edition, Elliot, B & Elliot, J., Prentice Hall (2002)