



## Course information 2019–20

### AC2091 Financial reporting

This course is concerned with the theory and practice of financial or external accounting. This involves a sound understanding of the concepts and choices that underlie how financial information is measured and disclosed in the financial statements.

#### Prerequisite

If taken as part of a BSc degree, the following course must be passed before this course may be attempted:

*AC1025 Principles of accounting*

#### Aims and objectives

The aims and objectives of the course are to:

- stimulate theoretical enquiry into financial accounting issues
- develop the student's knowledge and understanding of financial accounting
- prepare for further academic study in accounting and related areas
- enable students in the pursuit of a professional accountancy qualification
- equip students for employment in areas where an understanding of accounting issues and tools is helpful.

#### Essential reading

For full details, please refer to the reading list.

- Alexander, D., A. Britton and A. Jorissen *International Financial Reporting and Analysis*. (London: Thomson Learning, 2014) sixth edition [ISBN 9781408088449]

#### Learning outcomes

At the end of the course and having completed the essential reading and activities students should be able to:

- ☑ explain and apply a number of theoretical approaches to financial accounting
- ☑ record and analyse data
- ☑ prepare financial statements under alternative accounting conventions
- ☑ describe a number of regulatory issues relating to financial accounting
- ☑ critically evaluate theories and practices of, and other matters relating to, financial accounting.

#### Assessment

This course is assessed by a three-hour, fifteen-minute unseen written examination including reading time.

Students should consult the appropriate *EMFSS Programme Regulations*, which are reviewed on an annual basis. The *Regulations* provide information on the availability of a course, where it can be placed on your programme's structure, and details of co-requisites and prerequisites.

## Syllabus

This is a description of the material to be examined. On registration, students will receive a detailed subject guide which provides a framework for covering the topics in the syllabus and directions to the essential reading.

**Chapter 1:** Rationale for financial reporting and its regulation

**Chapter 2:** Conceptual framework

**Chapter 3:** Preparation of financial statements (Comprehensive income, changes in equity and financial position)

**Chapter 4:** Ethics for accountants

**Chapter 5:** Share capital

**Chapter 6:** Provisions, liabilities, including contingent liabilities

**Chapter 7:** Accounting for changing prices: Fair value and other accounting systems of price adjustments

**Chapter 8:** Employee benefits

**Chapter 9:** Income and deferred taxation

**Chapter 10:** Property, Plant and Equipment (includes investment properties)

**Chapter 11:** Leasing

**Chapter 12:** Intangible assets

**Chapter 13:** Construction contracts

**Chapter 14:** Financial instruments (excluding hedge accounting)

**Chapter 15:** Consolidated Accounts: At date of acquisition

**Chapter 16:** Consolidated Accounts: After date of acquisition

**Chapter 17:** Consolidated Accounts: Income statement, changes in equity and cash flows

**Chapter 18:** Consolidated Accounts: Associates and other joint arrangements

**Chapter 19:** Foreign currency translation and consolidation of foreign subsidiaries

**Chapter 20:** Analysis and interpretation of financial reports