

ADVANCED FINANCIAL REPORTING
Class Code: AG311
2023/24

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CLASS DESCRIPTION

The core of the class will cover financial accounting topics and focus on the preparation of financial statements for external publication. The subjects selected will be issues that provide an opportunity to explore various facets of the regulation of financial reporting. The topics covered will be at an advanced level and will be subject to some change as the practice of financial accounting develops. The class will include a significant coverage of the preparation of consolidated financial statements, which is an area of vital practical and theoretical importance in accounting.

In order to cover a wider breadth of accounting knowledge and to demonstrate the links between a variety of accounting topics the class will also incorporate sessions to examine the role of accounting in organisational problems solving, such as, the measuring not only of the firms' value creation but also their social, environmental performance.

This is an advanced level class in accounting. It discusses complex issues at both a practical and a theoretical level.

CLASS AIMS

The class aims to develop an appreciation of the difficulties faced by preparers, auditors and standard setters in ensuring that a set of accounts gives a true and fair view. The class achieves this aim through the systematic analysis of financial accounting standards and practice, in a context of institutional and cultural factors, but also in a context of social and ecological crises with a view to analysing the policy issues facing those who regulate and those who apply financial accounting.

Support for Assessments

To support you in your exam preparation in this module students will be provided with a past exam question to attempt either in the lecture or tutorial under exam conditions. An outline answer will be

Please contact the Accounting and Finance Undergraduate Office if alternative formats of teaching materials are required or if you need any other assistance.

provided in the next lecture/tutorial together with information on the marking framework. The module leader will explain how to interpret an examination question and how to answer to maximise marks.

Links that you may find useful include:

- Study skills
 - <https://www.strath.ac.uk/professionalservices/is/help/skillsboost/>
 -
- Disability and wellbeing
 - <https://www.strath.ac.uk/professionalservices/disabilityandwellbeing/>
 - <https://www.strath.ac.uk/sees/studentssupportwellbeing/>

The link below provides information about on campus study space, which you might find helpful:

<https://www.strath.ac.uk/professionalservices/library/findaplacetostudy/>

LEARNING OUTCOMES

The following learning outcomes will contribute to your self-analysis and reflection in your Student's Personal Development Planning (SPDP).

Subject specific knowledge and skills

After passing this class, students will be able to

- Discuss alternative perspectives on regulation
- Evaluate both current and proposed accounting regulations relating to: group financial statements, financial instruments, foreign currency accounting and social and environmental accounting
- Apply the current accounting regulations relating to: group financial statements, financial instruments, foreign currency accounting and social and environmental accounting
- Be aware of current developments in financial accounting and their implications for the future
- Solve more complex financial accounting problems applying current IFRS

Cognitive abilities and non-subject specific skills

In this class, students will

- Develop communication skills by discussing, questioning and presenting
- Gain academic confidence both by joining in group work and discussion and by working on individual assignments

After passing this class, students will be able to

- Read, understand and synthesise the more complex accounting standards
- Develop and support an opinion on a complex issue and defend this in the course of both classroom and written discussion. These skills are of value in making presentations and participating in meetings

ASSESSMENT

Financial accounting will contribute 100% of the overall mark and be assessed:

- 75% final exam
- 25% class test (week 6)

Non-completion of any of the above assessment elements without valid reason, could result in the student being regarded as not completing the class requirements and a fail mark will be recorded (see the section in this outline about NQ Policy). Any problems with assessments should be discussed with the lecturer(s) as soon as they arise.

The criteria used in assessment are provided at the end of this class outline. The weighting of the different pieces of assessed work reflects the balance of learning outcomes associated with the different pieces of required work. Late submission of assignments will normally result in a penalty (see the section of this outline about penalties for late submission).

Compelling reasons for lateness (illness, bereavement) will be considered by the Examination Board and should be supported by the appropriate documents.

During the course of the semester there will be opportunities for you to assess your own progress in an informal manner (sometimes called 'formative' assessment) and there will be opportunities for you to receive formal assessment of your achievements, which will also contribute to your result for the class (this is sometimes called 'summative' assessment).

Informal assessment and feedback

Individuals can expect to receive feedback on their contributions during tutorials and meetings with lecturing staff during their office hours (see the section in this outline about the feedback). It is expected that they will take note of this feedback and use it as one basis for improving their skills in analysis of public sector accounting.

Reassessment

If you fail either of the examinations then you will be reassessed by two separate examinations in August (see the section in this outline about the resit policy). Coursework marks are not carried over. You may find it helpful to seek some feedback from teaching staff prior to revising for any resit.

PENALTIES FOR LATE SUBMISSION

The Business School follows the University's policy for the late submission of assessed work:

[POLICY and procedure for LATE SUBMISSION OF COURSEWORK \(strath.ac.uk\)](https://www.strath.ac.uk/policies-and-procedures/policies-and-procedures-for-late-submission-of-coursework/)

FEEDBACK

The standard turnaround time for all feedback and marking within SBS is 15 working days from assessment submission.

The University policy on Assessment and Feedback is available here:

[Assessment and Feedback Policy \(strath.ac.uk\)](http://strath.ac.uk)

COMPENSATION SCHEME

The Faculty Compensation scheme is as follows:

- Where a student has a weighted average of at least 45% (pass) across all classes, and class(es) for which the mark is 30-39% (fail), the failed class(es) will be deemed to have been passed by compensation.
- Where a first year class is passed by compensation, the student will not be permitted to proceed with that subject in the second year, unless mitigating circumstances acceptable to the Board are met, and are submitted in advance of the meeting of the Board.
- Where a first, second or third year class is passed by compensation, the student will not normally be permitted to proceed to Honours in that subject, this is at the discretion of the department. The student does have the right to reject this pass and resit the class.

[POLICY ON Compensation Scheme \(strath.ac.uk\)](http://strath.ac.uk)

RESIT POLICY

- Students who have failed this class will be given the opportunity to resit the class during the August resit diet.

TEACHING AND LEARNING

The class will be structured around lectures and tutorials. For the financial accounting element, there will be a recommended textbook which will deal with much of the mechanical aspect of the accounting process. The class will be covered by a 2 hour lecture weeks 1-11 inclusive and a 1 hour tutorial weeks 2-11 inclusive. There will also be 1 assessment to be submitted on Myplace.

ACHIEVEMENT OF LEARNING OUTCOMES

The achievement of learning outcomes is necessary to successfully complete the class, both in terms of your learning development and in your class assessment. It is important, therefore, that you are confident about achieving these outcomes as the class progresses. Opportunities will be given for you to reflect upon what you have achieved during this class.

PRE-REQUISITES

AG207 Intermediate Financial Accounting.

REQUIRED READING

The text book will be Wiley “Applying IFRS Standards” fourth edition.

PLAGIARISM: PLEASE NOTE

In submitting work, you are affirming that all sentences, graphs, charts, tables etc. not specifically attributed to another source are your own creation. Therefore, it is essential that you make sure to provide complete citations for all statements or analyses presented in your essays that are derived wholly or in part from the works of others.

To do otherwise is to present as your own any ideas, evidence, or analysis produced by others and published in source consulted by you, including all materials published (posted) on the Internet. This specifically includes working papers posted on author(s)’ websites, departmental websites, special interest group websites and so forth. It is good record-keeping practice, to maintain an evidence file for all written work submitted; this will enable you to support your usage of sources if your work is questioned.

Some students object that this will require a citation of a source after every sentence. This objection has no substance. If a citation is required and you supply it, this is taken as evidence of good scholarship and will be rewarded. If, however, a citation is required and you do not supply it, this will be considered poor scholarship (and points deducted) or plagiarism (the paper will be returned and you will be expected to offer an explanation). If the entire essay is composed of materials copied entirely from sources found in the course of your research (including materials downloaded from the world wide web) and presented as if said materials are of your own creation, you will fail this class and place your degree in jeopardy.

LECTURE PROGRAMME

Week	Lecture/ tutorial	Specific Learning Objectives	Required Readings	General learning objectives and standards analysed during the sessions
1	The Mechanics of Consolidation	Student should have an overview of the basic rules to prepare a simple group statements (pre and post-acquisition retained earnings and goodwill on acquisition)	To be advised (TBA)	<p>The class will prepare simple consolidated statements of financial position and learn how to account for subsidiaries and associates, goodwill using the “full goodwill method” and the proportion of net assets method and calculate non-controlling interest.</p> <p>The class will learn how to deal with transactions that occur over the year end and intercompany transactions using appropriate journal entries.</p> <p>Standards covered IAS 27, 28 and IFRS3, IFRS 10</p>
2	The Mechanics of Consolidation	Student should have an overview of the basic rules to prepare a simple group statements (non-controlling interests; associates, fair values in consolidation)	TBA	
3	The Mechanics of Consolidation	Student should have an overview of the basic rules to prepare a simple group statements (Intercompany Balances, Consolidated Statement of Profit or Loss, Closing and Opening Inventory, Statement of Changes in Equity, Direct and Indirect shareholdings)	TBA	
4	Intercompany transactions	Eliminations necessary for intercompany transactions. (inventory, fix asset, debt transaction, dividends, and others)	TBA	
5	Intercompany transactions	Eliminations necessary for intercompany transactions (Different between upstream and downstream intercompany transactions and the eliminations in different periods.)	TBA	
6	Foreign currency	Student should be familiar with the Foreign Currency issue in accounting (Basic problems with Currencies, Accounting for individual transaction. The translation of a foreign entity’s financial statement)	TBA	
7	Foreign currency	Student should be familiar with the Foreign Currency issue in accounting (Regulation, Currency translation and	TBA	

		creative Accounting. Hyperinflation.)		Standards covered IAS21
8	Accounting for financial and capital instruments	Student should be familiar with issues associated with financial instruments (financial assets and Instruments issued as Debt or Equity, the role of fair value)	TBA	The class will discuss financial assets, debt and equity. The class will cover how these instruments are disclosed in the financial statements. Standards covered IAS32, IAS 39 and IFRS 9
9	Accounting for financial and capital instruments	Student should be familiar with issues associated with financial instruments (Hybrid Financial Instruments, Hedging. The disclosure of financial and capital instruments).	TBA	
10	Integrated Reporting	Student should know the limitations of the conventional financial reporting and the existence of alternative and more comprehensive methods of reporting, such as, the Integrated Reporting in order to understand the process of firms' value creation. Student should understand a typical sustainability report prepared following the guideline of the Global Reporting Initiative	TBA	The class will articulate ideas about the difficulties and challenges of preparing a report showing the economic, social and environmental performance of firms. Standards covered Sustainability Reporting Guidelines and the International Integrated Reporting Framework
11	Summary and questions			

UNIVERSAL MARKING GUIDE (ASSESSMENT DESCRIPTOR)

%	Descriptor
80 – 100	<p><u>Outstanding demonstration of learning outcomes:</u></p> <ul style="list-style-type: none"> • wide, appropriate knowledge and understanding (and where appropriate effective project work) including insight and originality • evidence of reading and thought beyond course/assignment materials • appropriate use of references and exemplars • an outstanding standard of writing and communication and/or presentation
70 – 79	<p><u>Excellent demonstration of learning outcomes:</u></p> <ul style="list-style-type: none"> • wide, appropriate knowledge and understanding (and where appropriate effective project work) including insight or originality • evidence of reading and thought beyond course/assignment materials • appropriate use of references and exemplars • an excellent standard of writing and communication and/or presentation
60 – 69	<p><u>Comprehensive demonstration of learning outcomes:</u></p> <ul style="list-style-type: none"> • wide appropriate knowledge and understanding (and where appropriate effective project work) with only occasional lapses in detail • evidence of reading and thought beyond course/assignment materials • a high standard of writing and communication
50 – 59	<p><u>Satisfactory demonstration of learning outcomes:</u></p> <ul style="list-style-type: none"> • sound knowledge and understanding of essential material (and where appropriate essential project skills) • general accuracy with occasional mistakes and/or uncoordinated use of information
40 – 49	<p><u>Adequate demonstration of learning outcomes:</u></p> <ul style="list-style-type: none"> • basic knowledge and understanding (and where appropriate basic project skills) • omissions and/or weaknesses of presentation and/or logic and/or evidence
30 – 39	<p><u>Limited demonstration of learning outcomes:</u></p> <ul style="list-style-type: none"> • some relevant information and limited understanding (and where appropriate some project work completed under supervision) • omissions and/or weaknesses of presentation and/or logic and/or evidence • lack of familiarity with the subject of assessment and/or assessment vehicle
20 – 29	<p><u>Inadequate demonstration of learning outcomes:</u></p> <ul style="list-style-type: none"> • a few key words, phrases or key ideas • extensive omissions and/or weaknesses of presentation and/or logic and/or evidence • serious errors • inadequate evidence of learning or inadequate project work
1 – 19	<p><u>Weak performance in learning outcomes</u></p> <ul style="list-style-type: none"> • serious errors • extensive omissions and/or weaknesses of presentation and/or logic and/or evidence • deficient evidence of learning or deficient evidence of project work
0	No relevant work submitted for assessment