

**Федеральное государственное автономное образовательное учреждение
высшего профессионального образования
"Национальный исследовательский университет
"Высшая школа экономики"**

Факультет экономических наук

Департамент финансов

Рабочая программа дисциплины

«Международные стандарты финансовой отчетности»

(INTERNATIONAL FINANCIAL REPORTING STANDARDS)

для образовательных программ:

«Экономика» направления 38.03.01 подготовки бакалавра

Разработчики программы

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Руководитель департамента И.В. Ивашковская _____

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«__»_____ 2015 г., № протокола _____

Утверждена «__»_____ 2015 г.

Руководитель департамента финансов И.В. Ивашковская _____

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INTERNATIONAL FINANCIAL REPORTING STANDARDS

Syllabus

Faculty: Economics

Year: 2015/16

Course name: International Financial Reporting Standards

Level: Bachelors, 2d year

Language of instruction: English

Period: Module 1,2

Credits: 6

Course Instructor and Contact Details:

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COURSE DESCRIPTION

Course is designed for bachelor students who have no experience with International Financial Reporting standards, who studied local accounting standards before or has no accounting background at all. This course starts with the overview of the overall understanding of the accounting cycle, including the understanding of how economic events and transactions in the enterprise influence different elements of financial statements. It discusses application of accrual method resulting in the adjusting entries, and covers also closing procedures and reverse entries. It covers the IFRS Concepts Framework and major formats of financial statements according to IFRS. Then the course is focused on the recognition and measurement for short-term assets, in particular, receivables and inventory, and long-term assets as Property, Plant and Equipment, Intangible assets and Assets Held for Sale. In separate topic is impairment of long-term assets. The course contains concepts of accounting and reporting for lease operations (financial and operating lease). One class is devoted to the Cash Flow Statement preparation techniques. The last part of the course deals with the consolidated financial statements. It covers the main concepts of control, subsidiary, single and consolidated statements. After the course the students will be able to eliminate intra-companies transaction, unrealized gains, to prepare the basic consolidated financial statements. Special part is accounting at the date of acquisition: goodwill, measuring the consideration transferred, measuring the net assets acquired. The course does not require extensive knowledge of mathematics and statistics.



The course has prerequisite is “Financial Accounting” or “Accounting according to the local standards”.

COURSE OBJECTIVES

After the course student will know:

- main steps of the accounting and financial reporting cycle;
- Recognition and measurement principles for Receivables, Inventory, PPE, Intangibles and Assets Held for Sale, lease transactions, impairment calculation and reporting;
- Cash Flow preparation techniques;
- Consolidated financial statement preparation technic.

After the course student will be able to:

- prepare the regular accounting entries and adjustments entries;
- do appropriate classification to the elements of financial statements;
- understand the purpose and overall structure of financial statements and disclosures, qualitative characteristics of information there; structure and meaning of different types of audit reports.
- understand the presentation of Receivables, Inventory, PPE, Intangible assets, and Assets Held for Sale in the financial statements and in the disclosures;
- to calculate the impairment of long-term assets;
- understand the lease accounting;
- prepare simple Statement of Cash Flow;
- prepare basic consolidated statement of financial position, statement of operation;
- to understand the notes to financial statements and main financial coefficients.

TEACHING METHOD

Lectures

Seminar sessions

Self-study

Individual work

GRADING

Your grade will be based on the test (40%) and final exam (60%).

ASSESSMENT

Class participation

Test

Final exam



COURSE OUTLINE

Topic 1. The IFRS Conceptual Framework and the Financial Statements .

The notion of financial accounting and reporting, difference from managerial and tax accounting and reporting, statistical reporting. Accounting systems in the world. History of IFRS, IASC and IASB, structure, functions, process of creation of the new standard. The relationship between local financial reporting standards and IFRS. Convergence project with US GAAP. The body of IFRS: standards – IAS ad IFRS, Interpretations, Basis for conclusion, Implementation Guidance. Principles of the presentation of financial information. IFRS Conceptual Framework: general purpose, elements of financial statements – recognition and measurement; qualitative characteristics. Overview of the financial reports.

Topic 2. The Accounting Cycle.

Accounting equation. Major accounting assumptions, principles and constraints. How different economic events or transactions influence the elements of financial statements. Recording sales for merchandising operations. Debits and credits, T-account, journal entries into General Journal and posting into General Ledger. Pre-adjusted Trial Balance.

Topic 3. Accrual Accounting.

Accrual accounting and types of accruals: depreciation, reserves and allowances, accruals and deferrals. Recognition of revenues and expenses. Using accounting estimates. Closing entries, permanent and temporary accounts, finding the Net result for the period. Retained Earnings and Capital. Reverse entries – preparation to the next period.

Topic 4. Inventory.

Classification of inventory for manufacturing and merchandizing operations. Flow of costs from the Balance-Sheet to the Income statement. Fright-In and Fright-Out. Initial recognition of inventory – capitalization of other costs in the cost of inventory. Sales discounts and purchase discounts. Transfer of ownership: recognition of goods in transit, on consignment. FOB-destination and FOB-shipping point. Formula of Cost of Goods Sold. Perpetual and periodic inventory systems. Costing systems: FIFO, LIFO, Weighted-average, specific identification. Using Net Realizable Value for measuring inventory. Recognition of inventory obsolescence – techniques of allowance for obsolete stock.

Topic 5. Short-term assets. Long-term receivables.

Classification of short-term assets: cash and equivalents, notes receivable, accounts receivable. Accounting for notes. Accounts receivable – measurement at Net Realizable Value. Allowance for Bad Debts. General and specific allowance.



Income Statement and Balance Sheet approach. Aging of receivables. Discounting of long-term receivables. Factoring with or without recourse.

Topic 6. Property, Plant and Equipment.

Life cycle of PPE. Acquisitions, initial measurement - capitalization of costs. Reserves for future costs. Purchase, exchange, government grants, financing by loan and borrowing costs, exchange of assets. Depreciation of PPE – types. Subsequent measurement – historical cost model and fair value model. Revaluation under fair value model.

Topic 7. Impairment of property, plant and equipment

Impairment of PPE – indicators, estimating the amounts, using the Cash Generating Units. Moving the assets into the Assets Held for Sale category.

Topic 8. Leases

Obtaining non-current assets, types of leases (classification of lease, identifying financial lease), accounting for finance leases (present value of the minimum lease payments, definitions and working examples, lease terms, setting up accounts in the statement of financial position, depreciating the asset, making the payments, finance charge). Disclosure in the financial statements. Other issues. Operating leases.

Topic 9. Intangible assets

What are intangible assets? IAS 38: objective and scope. The definition of intangible assets, initial recognition and measurement, internally generated assets, measurement of intangible assets after recognition, disposals, disclosure, goodwill.

Topic 10. Statement of Cash Flows. Techniques for preparation.

Classification of enterprise cash flows: financing, investing and operating. Calculating direct cash flows from selling goods, paying for purchases, selling equipment, paying taxes. Direct and indirect method for Cash Flows from operating activities. Disclosure of reconciliation of Net income to Cash Flow from operations. Cash flows reported as separate lines. Non-cash investing/financing.

Topic 11 Provisions, contingencies and events after the reporting period

Provisions and contingencies; provision: definition and recognition; measurement treatment; specific applications; disclosures relating to provisions; contingent liabilities; contingent assets; IAS 10 “Events after balance sheet period”.

Topic 12. Group accounts: basic principals.



What is a group, what is a subsidiary, accounting principles; the single entity concept; control and ownership (definition of control, ownership, reflecting control and ownership in group accounts).

Topic 13. Consolidated accounts: consolidated statement of financial position, consolidated statement of financial performance

Explain and demonstrate the concept and principals surrounding the consolidation of financial statements including: the single entity concept; substance over form; the distinction between control and ownership.

Calculation goodwill, intra-group balances; unrealized intra-group profit, standardised workings; fair value adjustments; mid-year acquisitions; dividends; other adjustments.

Topic 14. Group accounts: associates

Investments in an associate, equity method: consolidated statement of financial position & consolidated income statement; associate's losses; transactions between a group and its associate.

Topic 15. Business combinations, consolidated financial statements

Source of requirements; IFRS3 (revised) "Business combinations"; identifying the acquirer; determining the acquisition date; measuring the consideration transferred; recognition and measuring the net assets acquired; goodwill; practical issues; disclosures.

INDICATIVE READING LIST.

1. Kimmel, Weygandt, Kieso (2011). Financial Accounting. Tools for Business Decision Making. John Wiley & Sons (Asia), 6th ed.
2. Keiso, Weygandt, Watfield (2011) Intermediate Accounting. IFRS edition. // John Wiley & Sons.
3. ACCA Certification: Financial Accounting paper, Financial Reporting paper
4. ACA Certification: Financial Accounting paper, Financial Reporting paper
5. <http://www.pwc.com/gx/en/ifrs-reporting/index.jhtml> the site of PWC for IFRS preparers
6. <http://www.ey.com/GL/en/Issues/IFRS> the site of EY for IFRS implementations
7. <http://www.ifrs.org/Pages/default.aspx> the site of IASB - original text of pronouncements
8. <http://www.iasplus.com/en> the site of Deloitte devoted to IFRS implementations and developments



DISTRIBUTION OF WORKLOAD

<i>Topics</i>	<i>Total hours</i>	<i>In-room classes</i>		<i>Self-study</i>
		<i>Including</i>		
		<i>Lecture</i>	<i>Seminars</i>	
Topic 1. The IFRS Conceptual Framework and the Financial Statements .	8	2	2	4
Topic 2. The Accounting Cycle.	12	2	2	8
Topic 3. Accrual Accounting.	12	2	2	8
Topic 4. Inventory.	12	2	2	8
Topic 5. Short-term assets. Long-term receivables.	10	2	2	6
Topic 6. Property, Plant and Equipment.	10	2	2	6
Topic 7. Impairment of property, plant and equipment	10	2	2	6
Topic 8. Leases	10	2	2	6
Topic 9. Intangible assets	10	2	2	6
Topic 10. Statement of Cash Flows. Techniques for preparation.	12	2	2	8
Topic 11. Provisions, contingencies and events after the reporting period	8	2	2	4
Topic 12. Group accounts: basic principals.	12	2	2	8
Topic 13. Consolidated accounts: consolidated statement of financial position, consolidated statement of financial performance	12	2	2	8
Topic 14. Group accounts: associates	12	2	2	8
Topic 15. Business combinations, consolidated financial statements	12	4	4	4
TOTAL:	162	32	32	98

Exam - 2

Test - 1

Of the week - 3

Credit unit – 4.5