

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

Факультет экономических наук
Департамент финансов

**Рабочая программа дисциплины «Международные стандарты финансовой
отчетности»**

для образовательной программы «Экономика»
направления 38.03.01 «Экономика»
подготовки бакалавра

Разработчик программы

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«__» _____ 201__ г., № протокола _____

Академический руководитель образовательной программы

К.А. Букин _____

Москва, 2016

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INTERNATIONAL FINANCIAL REPORTING STANDARDS

Syllabus

June, 2016



COURSE DESCRIPTION

Title of course: International Financial Reporting Standards

Faculty: Economics

Year: 2016/17

Level: Bachelors, 2nd year

Language of instruction: English

Pre-requisites: “Financial Accounting and reporting” or “Accounting according to the local standards”

Course Type: elective

Period: Module 1,2

Credits: 5

Total hours: 190

Course Instructor and Contact Details: Tatiana Malofeeva, tmalofeeva@hse.ru, +79032239296

Abstract

Course is designed for bachelor students who have experience with International Financial Reporting Standards. This course covers the IFRS Concepts Framework and major formats of financial statements according to IFRS. Then the course is focused on the recognition, measurement and disclosure for such elements of financial accounting as Revenue, Inventory and biological assets, Long-term assets as Property, Plant and Equipment, Intangible assets and Provisions. 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 course also covers the topic of Financial Instruments. 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.

LEARNING OBJECTIVES

After the course student will know:

- Recognition and measurement principles for Revenue, Inventory and biological assets, Long-term assets, Financial instruments, Provision, contingent liabilities and contingent assets, lease transactions, impairment calculation and reporting;
- Single entity financial statements preparation techniques;
- Consolidated financial statement preparation technic.

LEARNING OUTCOMES

After the course student will be able to:

- 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 Revenue, Inventory and biological assets, Long-term assets, Financial instruments, Provision, contingent liabilities and contingent assets in the financial statements and in the disclosures;
- to calculate the impairment of long-term assets;
- understand the lease accounting;
- prepare single entity financial statements;
- prepare consolidated statement of financial position, statement of operation;
- to understand the notes to financial statements and main financial coefficients.

COURSE PLAN

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, IASB 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 and 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. Long-term assets. Impairment of assets.

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.

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.

Impairment of assets – indicators, estimating the amounts, using the Cash Generating Units.

Topic 3. Inventories and biological assets.

Describe and apply the principles of inventory valuation. Apply the requirement of relevant accounting standards for biological assets.

Topic 4. Leasing.

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 5. Provisions, events after the reporting date.

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 6. Financial instruments

Defining financial instruments in terms of financial assets and financial liabilities. Distinguishing between debt and equity capital. Measuring financial instruments by amortised cost and fair value (including option to elect to present gains and losses on equity instruments in other comprehensive income). Applying the requirements of relevant accounting standards to the issue and finance costs of: equity, redeemable preference shares and debt instruments with no conversion rights (principle of amortised cost), convertible debt.

Topic 7. Reporting financial performance

Identifying and reporting the results of discontinued operations. Defining and accounting for non-current assets held for sale and discontinued operations. Accounting for changes in accounting estimates, changes in accounting policy and correction of prior period errors.

Calculating the EPS in accordance with relevant accounting standards (dealing with bonus issues, full market value issues and rights issues). Explaining the relevance of the diluted EPS and calculating the diluted EPS involving convertible debt and share options (warrants)

Topic 8. Revenue Recognition.

Apply the principle of substance over form to the recognition of revenue. Identifying the five steps in the revenue recognition process. Identifying the contract with customers. Determining the transaction price. Allocating the transaction price to the separate performance obligations. Identifying other revenue recognition issues. Describing presentation and disclosure regarding revenue. Accounting for government grants.

Topic 9. Presentation of published financial statements

Preparing a single entity's statement of financial position and statement of profit or loss and other comprehensive income in accordance with the structure prescribed within

IFRS. Preparing and explaining the contents and purpose of the statement of changes in equity.

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 10. Group accounts: basic principals. Consolidated accounts: consolidated statement of financial position, consolidated statement of financial performance.

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).

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 11. Group accounts: associates. Business combinations, consolidated financial statements

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

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.

READING LIST

Required

1. ACCA Approved Interactive Text FIA FFA/ACCA Paper F7 Financial Accounting, BPP Learning Media

Optional

1. Keiso, Weygandt, Watfield (2014) Intermediate Accounting. IFRS edition. // John Wiley & Sons.

2. <http://www.pwc.com/gx/en/ifrs-reporting/index.jhtml> the site of PWC for IFRS preparers

3. <http://www.ey.com/GL/en/Issues/IFRS> the site of EY for IFRS implementations

4. <http://www.ifrs.org/Pages/default.aspx> the site of IASB - original text of pronouncements

5. <http://www.iasplus.com/en> the site of Deloitte devoted to IFRS implementations and developments

GRADING SYSTEM

Your grade will be based on the cumulative score (40%) and final exam (60%). The final exam is passed if the student scored 50 or more marks out of 100. The cumulative assessment is homework (20%), class participation (20%) and mid-term test (60%)

GUIDELINES FOR KNOWLEDGE ASSESMENT

Class participation

Homework

Mid-term test

Final exam

METHODS OF INSTRUCTION

Lectures

Seminar sessions

Self-study

Individual work

DISTRIBUTION OF WORKLOAD

Topics	Total hours	In-room classes		Self-study
		Including		
		Lecture	Seminars	
<i>1 module</i>				
The repetition of the basics learned in the course Financial Accounting.	10		2	8
Topic 1. The IFRS Conceptual Framework and the Financial Statements .	18	4	4	10
Topic 2. Long-term assets. Impairment of assets	18	4	4	10
Topic 3. Inventory and biological assets.	12	2	2	8
Topic 4. Leasing	14	2	2	10
Topic 5. Provisions, events after the reporting date	12	2	2	8
Preparation for mid-term test	10		2	8
Total hours 1st module	94	14	18	62
<i>2 module</i>				
Topic 6. Financial instruments	12	2	2	8
Topic 7. Reporting financial performance	12	2	2	8
Topic 8. Revenue Recognition	12	2	2	8

Topic 9. Presentation of published financial statements	20	4	4	12
Topic 10. Group accounts: basic principals. Consolidated accounts: consolidated statement of financial position, consolidated statement of financial performance	20	2	4	14
Topic 11. Group accounts: associates Business combinations, consolidated financial statements	20	2	4	14
<i>Total hours 2nd module</i>	96	14	18	64
TOTAL:	190	28	36	126