

## ADVANCED FINANCIAL ACCOUNTING

<b>Course code</b>	<i>FIN118</i>
<b>Compulsory in the programmes</b>	<i>BBM Finance</i>
<b>Level of studies</b>	<i>Undergraduate</i>
<b>Number of credits</b>	<i>6 ECTS (48 in-class hours + 6 consultation hours + 2 exam hours, 104 individual work hours)</i>
<b>Course coordinator (title and name)</b>	<i>Dr. László Péter Lakatos</i>
<b>Prerequisites</b>	<i>Financial Accounting</i>
<b>Language of instruction</b>	<i>English</i>

### THE AIM OF THE COURSE:

The course will help to understand international financial accounting standards (IFRS). The course focuses on more complex accounting issues like revenue recognition, measurement of certain assets, implication of financing and also will include a comprehensive group accounting section.

### MAPPING OF COURSE LEVEL LEARNING OUTCOMES (OBJECTIVES) WITH DEGREE LEVEL LEARNING OBJECTIVES (See Annex), ASSESMENT AND TEACHING METHODS

<b>Course level learning outcomes (objectives)</b>	<b>Degree level learning objectives, BMM</b>	<b>Assessment methods</b>	<b>Teaching methods</b>
CLO1. Students will understand how the financial statements are effected with certain economic phenomena and they will be able to adjust financial statements accordingly.	BLO1.1	Mid-term exam Final exam	Lectures, seminars, self-study
CLO2. To understand accounting process and its organization procedures, on separate and also on group level.	BLO1.2	Final exam	Lectures, self-study
CLO3. To prepare financial statements and acquire knowledge and practical skills in keeping accounting in the companies.	BLO1.2, BLO4.1	Mid-term exam Final exam	Lectures, solving exercises, self-study
CLO4. Students can account for more complicated revenue recognition, financing decisions (including leases) and group accounting issues. Students will have be able to account for financial instruments.	BLO1.1	Final exam	Lectures, solving exercises
CLO5. To be able to select accounting policy distinguishing all four aspects: organizational, technical, methodological, ethical.	BLO1.2; BLO2.1	Final exam	Lectures, solving exercises, self-study

### ACADEMIC HONESTY AND INTEGRITY

The ISM University of Management and Economics Code of Ethics, including cheating and plagiarism are fully applicable and will be strictly enforced in the course. Academic dishonesty, and cheating can and will lead to a report to the ISM Committee of Ethics. With regard to remote learning, ISM remind students that they are expected to adhere and maintain the same academic honesty and integrity that they would in a classroom setting.

### COURSE OUTLINE

	TOPIC	IN-CLASS HOURS	READINGS
1	International financial reporting standards (IFRS), revision, main considerations Accounting for leases.	1 3	Handouts Ch. 22
2	Revenue recognition under IFRS	4	Handouts
3	Accounting for financial instruments I. Classification and measurement	4	Handouts Ch. 3
4	Accounting for financial instruments II. The expected credit loss model. Selected elements of hedge accounting.	4	Handouts Ch. 4
5	Foreign currency accounting and reporting Income tax accounting	2 2	Handouts Ch. 12, 14
6	MID-TERM TEST	2	
7	Main issues in group accounting	4	Handouts Ch. 1, 2.
8	Consolidated financial statements	4	Handouts Ch. 3
9	Consolidation techniques and procedures	4	Handouts Ch. 4
10	Intercompany profit transactions	4	Handouts Ch. 5, 6
11	Accounting for associates and joint arrangements	4	Handouts
12	Financial reporting quality Accounting for the governmental organizations, and non-for profit organization	2 2	Handouts Ch 18, 22
	FINAL EXAM		
	<b>Total:</b>	48	

**FINAL GRADE COMPOSITION**

Type of assignment	%
<i>Group Components 10%</i>	
Group Assignment	10%
<i>Individual Components 90%</i>	
Homework	10%
Midterm examination	40%
Final examination	40%
<b>Total:</b>	<b>100%</b>

**DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT**

*(Provide short descriptions and grading criteria of each assignment)*

**1. Group assignment**

The students will be presented with a not structured problem which they need to solve and present together. All major syllabus areas might be covered. It counts 10% towards the final grade.

**2. Midterm test**

It will be held after the first five topics. It counts towards 40% of the final grade. The midterm test will be based on topics 1-5. Calculators may be used, provided they cannot store text.

**3. Homework and its presentation**

Students work in small groups on a selected case study. Details on the homework requirements will be provided during the first week. Homework report must comply with ISM requirements.

Homework and its presentation counts towards 10% of the final grade.

**4. Final exam**

The exam counts towards 40% of the final grade. The exam will be based on topics 7-12. Calculators may be used, provided they cannot store text.

**RETAKE POLICY**

In case of a negative final grade, students are allowed a re-sit exam. It will cover all course material. The weight of a re-sit is 80%. Homework cannot be rewritten, group assignment may not be redone, but its evaluation (if positive) is not annulled.

**REQUIRED READINGS**

1. Advanced financial accounting – handouts (provided by the lecturer online)
2. Relevant International Financial Reporting Standards.
3. Beams, F.A., Anthony, J.H., Bettinghaus, B., Smith, K., 2017. Advanced Accounting, Global Edition. 13<sup>th</sup> ed. Pearson.

**ADDITIONAL READINGS**

1. ACCA study books for F7 module (any edition after 2016)
2. Scott, W.2003. Financial Accounting Theory. Irwin.
3. Lewis & Pendrill, 2004. Advanced Financial Accounting, 7 ed. Pearson Education.
4. Kothari & Barone, 2011. Advanced Financial Accounting: an International Approach, 1 ed. Pearson Education.

## DEGREE LEVEL LEARNING OBJECTIVES

### **Learning objectives for the Bachelor of Business Management**

*Programmes:  
International Business and Communication,  
Business Management and Marketing, Finance,  
Industrial Technology Management*

<b>Learning Goals</b>	<b>Learning Objectives</b>
Students will be critical thinkers	BLO1.1. Students will be able to understand core concepts and methods in the business disciplines
	BLO1.2. Students will be able to conduct a contextual analysis to identify a problem associated with their discipline, to generate managerial options and propose viable solutions
Students will be socially responsible in their related discipline	BLO2.1. Students will be knowledgeable about ethics and social responsibility
Students will be technology agile	BLO3.1. Students will demonstrate proficiency in common business software packages
	BLO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	BLO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	BLO4.2. Students will be able to convey their ideas effectively through an oral presentation
	BLO4.3. Students will be able to convey their ideas effectively in a written paper

### **Learning objectives for the Bachelor of Social Science**

*Programmes:  
Economics and Data Analytics,  
Economics and Politics*

<b>Learning Goals</b>	<b>Learning Objectives</b>
Students will be critical thinkers	ELO1.1. Students will be able to understand core concepts and methods in the key economics disciplines
	ELO1.2. Students will be able to identify underlying assumptions and logical consistency of causal statements
Students will have skills to employ economic thought for the common good	ELO2.1. Students will have a keen sense of ethical criteria for practical problem-solving
Students will be technology agile	ELO3.1. Students will demonstrate proficiency in common business software packages
	ELO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	ELO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	ELO4.2. Students will be able to convey their ideas effectively through an oral presentation
	ELO4.3. Students will be able to convey their ideas effectively in a written paper