

Module 3

6. 3.1. Advanced Financial Reporting (International)

Module title		Advanced Financial Reporting (International)								
Module NFQ level (only if an NFQ level can be demonstrated)		9								
Module number/reference		MA02								
Parent programme(s)		Master of Arts in Accounting and Finance								
Stage of parent programme										
Semester (semester1/semester2 if applicable)		Semester 1								
Module credit units		ECTS								
Module credit number of units		10								
Duration of the module		One Academic Semester, 12 Weeks Teaching.								
Average (over the duration of the module) of the contact hours per week		6								
Analysis of required learning effort										
Effort while in contact with staff										
Classroom and demonstrations		Mentoring and small-group tutoring		Other (specify)		Directed e-learning (hours)	Independent learning (hours)	Other hours (specify)	Work-based learning hours of learning effort	Total effort (hours)
Hours	Minimum ratio teacher/learner	Hours	Minimum ratio teacher/learner	Hours	Minimum ratio teacher/learner					
48	1:40	24	1:20				178			250
Allocation of marks (within the module)										
						Continuous assessment	Supervised project	Proctored practical examination	Proctored written examination	Total
Percentage contribution						30 %			70	100%

Minimum intended module learning outcomes

On the successful completion of this module, students should be able to:

- MIPO 3.1** Describe and discuss international accounting and financial reporting standards as well as the implications of harmonization and current developments in international financial reporting.
- MIPO 3.2** Demonstrate and explain the implications of different accounting treatments in the context of applicable international standards.
- MIPO 3.3.** Apply and critically evaluate contrasting financial reporting frameworks.
- MIPO 3.4** Prepare a set of consolidated financial statements and apply the relevant financial reporting standards.

Module content, organisation and structure

Indicative Syllabus:

1 The Professional and Ethical Duty of the Accountant

Professional ethics and financial reporting

- Demonstration of ethical and professional implications and issues involved in advising on corporate reporting plus the exercise of professional judgement and effective communication skills by debating conflicting ethical treatments of particular issues
- Demonstrate a comprehensive understanding of the importance of ethical practice when applying accounting standards
- Assess the implications of non-ethical activity when preparing corporate reports and an understanding of the practical consequences of such activity

Environmental and social reporting and social responsibility

- Importance of/reasons for social/environmental disclosures and the adequacy of current and proposed reporting requirements
- Current reporting requirements and the related controversial issues/best practice
- Current and future developments in this area demonstrating an appreciation for the diversity of approach in different countries
- Effect of environmental, social, and ethical factors on performance measurement and the adequacy of current and proposed reporting requirements

2 The Financial Reporting Framework

Importance of financial data

- Contributions and limitations of financial statements for various stakeholder groups (including investors)
- Comprehensive understanding and assessment of financial risk analysis and the importance of risk management in corporate governance
- Relevance of financial reporting to investment decision-making

The conceptual framework

- The IASB's *Framework for the Preparation and Presentation of Financial Statements*
- Successes and weaknesses of the current framework and critical evaluation of proposed changes
- Compliance/non-compliance of standards with the framework and implications for non-compliance

Revenue recognition

- Accounting for revenue recognition, including complex scenarios, demonstrating creative and analytical thinking via the debate on the adequacy of current international financial reporting standards and guidelines on this topic
- Evaluation of compliance with the conceptual framework and the implications of non-compliance for corporate entities and for its directors

3 FINANCIAL REPORTING STANDARDS

Financial statement formats

- Financial statements in accordance with IFRSs

Non-current assets

- Recognition, de-recognition, initial and subsequent measurement of tangible assets
- Recognition, de-recognition, initial and subsequent measurement of intangible assets
- Capitalisation of borrowing costs
- Investment properties
- Government grants
- Non-current assets held for sale

Impairment of assets

- Impairment of tangible and intangible assets
- Impairment of goodwill (including non-controlling interests)
- Cash-generating units and groups of cash-generating units

Segment reporting

- Evaluation of the different potential approaches to segment reporting ('risks and rewards' vs 'managerial' approaches)
- Assessment of operating segments
- Evaluation and preparation of segmental disclosures

Related parties

- Need for and relevance of related party data
- Identification of related parties and financial reporting issues involved
- Application of related party disclosures

Leases

- Classification of leases

- Lessee and lessor accounting for operating and finance leases
- Sale and leaseback transactions
- Evaluation of the accounting treatment and current developments

Financial instruments

- Scope of standards
- Classification as debt or equity; compound instruments
- Recognition and derecognition
- Initial measurement
- Subsequent measurement and treatment of gains and/or losses
- Impairment of financial assets
- Identification of and accounting for embedded derivatives
- Purpose of and accounting for hedging (fair value and cash flow hedges)

Share-based payment

- Classification of share-based payment transactions
- Recognition and measurement of share-based payment transactions
- Modifications, cancellations and settlements

Employee benefits

- Defined contribution vs defined benefit plans
- Accounting and disclosures for defined contribution plans and defined benefit plans, including actuarial gains and losses
- Accounting for settlements and curtailments
- Evaluation of International Financial Reporting Standards and current developments in this area

Provisions, contingent liabilities and contingent assets

- Recognition and measurement of provisions
- Application of the recognition and measurement rules
- Disclosure of contingent assets and contingent liabilities
- Current developments in this area

Events after the reporting period

- Accounting for events after the reporting period
- Discussion of the implications of events after the reporting period

Income taxes

- Recognition and measurement of deferred tax assets and liabilities
- Deferred tax effects of accounting standards included in the syllabus
- Deferred tax effects of losses and group transactions and adjustments

4 Preparation of Consolidated Financial Statements

Preparation of consolidated financial statements

- Preparation of the consolidated statement of comprehensive income and statement of financial position for groups of entities, including subsidiaries, associates, joint ventures, sub subsidiaries, sub associates and 'D' shaped groups with adjustments for intra-group transactions and transactions from other syllabus areas
- Goodwill and fair value accounting for consideration transferred and identifiable assets acquired and liabilities assumed

Business combinations achieved in stages, disposals and group reorganisations

- Preparation of consolidated financial statements with changes in ownership during the year
- Reasons for and implications of a group reorganisation

Discontinued operations

- Preparation of consolidated financial statements with discontinued operations or subsidiaries held for sale
- Discussion of the implications of discontinued operations or subsidiaries held for sale

Consolidated statements of cash flows

- Preparation of consolidated statements of cash flows for basic groups with subsidiaries and associates

The effects of changes in foreign exchange rates

- Determining functional currency and presentation currency
- Accounting for foreign currency transactions in functional currency
- Translation of financial statements into a different presentation currency
- Consolidation of foreign operations
- Discussion of application to entities in hyperinflationary economies

5 Specialised Entities

Specialised, not-for-profit and public sector entities

- Application of knowledge from other syllabus areas to transactions and events in specialised, not-for-profit, and public sector entities

Small and medium-sized entities (SMEs)

- Accounting standards for SMEs
- Current developments in this area
- Differential financial reporting ('Big GAAP' vs 'Little GAAP')

6 Changes in Accounting Regulation on Financial Reporting

Proposed changes to accounting standards

- Discussion and analysis of issues which require a new/revised accounting standard
- Impact of proposed changes on corporate reporting, key performance measures and market perception

Standard changes and accounting systems

- Accounting treatment and issues on first-time adoption of IFRSs
- Implementation issues on accounting and other systems of the application of a new/revised standard or body of standards

7 Appraisal of Financial Performance and Position of Entities

Accounting policies

- Issues when developing accounting policies

- Evaluation of accounting treatments adopted in financial statements

Performance measurement

- Identification and calculation of relevant financial and non-financial performance indicators
- Discussion and evaluation of current developments in reporting financial performance

Analysis and interpretation of financial information

- Key features and issues in financial statements
- Analysis and interpretation of given financial data at an advanced level (not just ratio analysis)
- Identification and comment on practical limitations of given financial information and analysis methods used
- Preparation of reports for external stakeholders relating to accounting treatments and corporate performance

8 Current Developments in Corporate Reporting

International convergence

- Reasons for differences in accounting practices between countries
- Progress and implications of national convergence with IFRSs
- Co-operation of national standard setters with the IASB
- Implementation issues arising from the convergence process

Current developments and issues in corporate reporting

- Discussion of extant Discussion Papers, Exposure Drafts and other current issues in financial reporting
- Discussion of developments in other aspects of corporate reporting

Reading lists and other information resources

Title	Author	Publisher	Year
Essential:			
International Financial Reporting Standards (IFRSs)	IASB	IASB	2008
P2: Corporate Reporting (International)		BPP Learning Media	2017
Recommended:			
Price Waterhouse Coopers Manual of Accounting			2009
IFRS Workbook and Guide	Mirza, A., Holt, G. and Orrell, M.	John Wiley & Sons	2006
Comparative International Accounting	Nobes, C. and Parker, R.	FT Prentice Hall	2008
International Financial Reporting – A comparative Approach, 3 rd Edition	Roberts, C., Weetman, P., and Gordon, P.	FT Prentice Hall	2005
Financial Accounting, An Introduction	Benedict, A. and Elliot, B.	FT Prentice Hall	2008

Financial Accounting, Reporting and Analysis, International Edition, 2nd Edition	Elliott, B. and Elliott, J.	FT Prentice Hall	2006
Advanced Financial Accounting	Lewis R. and Pendrill D.	Pitman	
Financial Reporting	Alexander D. and Britton A.	Thomson Learning	2004
Financial Accounting an International Introduction	Alexander, D. and Nobes, C.	Prentice Hall	2003
Financial Statement Analysis	Foster, G.	Prentice Hall International	1986
Interpretation Company Reports and Accounts	Holmes, Sudgen and Gee	Prentice Hall	2002
Accounting Theory and Practice	Glautier, M.W.E and Underdown, B.	Pitman	
Financial Information Analysis	O'Regan, P.	John Wiley & Sons	2001
Company Accounts: Analysis, Interpretation and Understanding	Pendlebury, M. & Groves, R.	Thomson Learning	2001
Financial Statement Analysis and Security Valuation	Penman, S.	MaGraw-Hill	2001
Financial Statement Analysis: An International Perspective.	Walton, P.	Thomson Learning	2000

REFERENCE:

Journals:

Accountancy – Institute of Chartered Accountants of England and Wales

IASB Insight (published quarterly by the IASB, www.iasb.org)

Accountant's Digest – CCH

British Accounting Review – Academic Press via ScienceDirect

Critical Perspectives on Accounting – Academic Press via ScienceDirect

Accounting Horizons – American Accounting Association

Abacus – Blackwell Publishers via SwetsWise

Journal of Accounting Research – Blackwell Publishers via SwetsWise

Accounting and Finance – Blackwell Science via Synergy

Contemporary Accounting Research – Canadian Academic Accounting Association via Metapress 2000

Accounting, Auditing & Accountability Journal – Emerald Fulltext

Web resources:

International Accounting Standards Board, www.iasb.org

– The International standard setter's homepage. The 'News' section is particularly useful to keep up-to-date

IAS Plus, www.iasplus.com

- A wealth of free materials provided by Deloitte

PricewaterhouseCoopers publications, www.pwc.com/ifrs

- An impressive library of free publications provided by PricewaterhouseCoopers

Accountancy Magazine Online, www.accountancymagazine.com

- Covers a broad range of accounting issues, but primarily offers the latest corporate news from the accounting world. Also includes in-depth surveys and articles.

Accountancy Age, www.accountancyage.com

- An industry newspaper focused on accountants working in the profession. Includes accounting sector news, latest developments and useful articles of a technical nature relevant to the practicing accountant.

Financial Times Online, www.ft.com

- An excellent source for new articles, and also surveys.

Association of Chartered Certified Accountants, www.accaglobal.com

- Provides useful information about the accounting profession and has an archive of technical articles that provide a good learning resource often targeted at learners.

Chartered Institute of Management Accountants, www.cimaglobal.com

- A comprehensive resource detailing news and industry opinion for practitioners together with research and study resources including articles of a technical nature targeted at learners as well as topical management accounting issues.

The 'Big 4' accountancy firms' websites give plenty of information about the accountants' role in an organisation:

www.pwc.com

www.kpmg.com

www.ey.com

www.deloitte.com

Professional Magazines

Financial Management (CIMA)

Student Accountant (ACCA)

Accounting and Business ACCA

Accountancy Plus (CPA)

Accountancy Ireland (ICAI)