# Corporate Accounting and Financial Statements

## Prof. Franco Dalla Sega

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

Corporate Accounting and Financial Statements, a core subject of the Business major in the Master’s Degree in Law, pursues the following educational aims:

– illustrate the the key concepts in business economics (organisational, economic and financial aspects) and the fundamental principles of accounting, understood as the discipline that studies business data;

– impart solid knowledge of the logic of reporting accounting data and the double-entry system in order to understand the process of presenting the figures in the statutory financial statements;

* transfer a basic knowledge of the logic of accounting records and the double-entry method.

At the end of the course students will be able to:

* understand the logic of the processes of representing values in the financial statements;
* demonstrate operational knowledge in the context of evaluations for the financial statements;
* appreciate the relevance of the IAS/IFRS international accounting principles;
* acquire a technical language that allows students to effectively and clearly communicate the knowledge learnt.

***COURSE CONTENT***

The course initially examines production firms, and concisely reviews how such companies tackle their most significant management and organization problems.

The main methods for reporting accounting data using the double-entry system are examined thereafter, with special emphasis on calculating annual and interim earnings.

The final part of the course deals with the tools needed to understand the logic underlying the preparation of financial statements, with regard to ordinary business/economic principles and recent regulatory reform in relation thereto. More specifically, this part of the course examines the guiding principles for national and international accounting standards (IAS/IFRS).

General part

1. *Firm management, organization and reporting: outline.*

– The business administration system.

– Business organization: work, people and organizational structure.

– The various notions of capital.

– Recording business transactions in the accounts.

– Capital and income: their mutual relationships.

2. *Financial statement model.*

– Financial statements as a summary of operations. The business/economic significance of profits/losses and working capital;

– Business principles underlying the preparation of financial statements.

*3. Financial statement components.*

– The balance sheet, profit and loss statement and their layout.

– The financial statement.

– The notes to the financial statements.

– *Leasing* operations in the financial statement.

– Financial statements drawn up in accordance with IAS/IFRS international accounting standards.

– The non-financial statement.

*4. Financial statement valuations.*

– Methods used to calculate quantitative results for the period.

– The valuation of the main items on a company's balance sheet.

– “Property, Plant and Equipment”, “Intangible Assets”, “Impairment of Assets” and “Financial Instruments” according to the IAS/IFRS international accounting standards.

Performance of the following standard series of assignments is considered an integral part of the course.

Applications

1. *Operational rules for reporting*

– Accounts as a reporting tool.

– The double-entry method (general information).

– The functioning of the accounts within the framework of the proposed system.

2. *Regular reporting of business transactions.*

– Acquisition of productive factors.

– Sale of products/services.

- Adjustment of accounts.

3. *The periodic computation of earnings and working capital.*

***READING LIST***

The professor will announce the reading list at the start of the course and post it on the website: www.unicatt.it.

Other items, documents and study materials will be recommended during the lectures throughout the course and posted on the professor's webpage.

***TEACHING METHOD***

The lectures are enriched with practical exercises on accounting records. These are introduced during the course to help students deepen their understanding of the technical aspects of corporate calculations.

***ASSESSMENT METHOD AND CRITERIA***

The exam is divided into two parts, both are compulsory for all students [\*]:

1. a 90-minute written exam (partial exam), concerning the “practical part” of the course, which aims to assess knowledge of the basic accounting surveys and the logic of representation of balance-sheet assets and of income statements as set out by the Civil Code. In order to access the oral exam, students must have passed the written test.
2. An oral exam will assess learning outcomes focussing on the “general part”. The key concepts of business economics and the capacity to analyse representational and evaluative topics concerning financial statements are required.

[\*] without prejudice to the provisions of the University regarding the organisation of exams during the Covid-19 emergency period.

***NOTES AND PREREQUISITES***

Constant attendance at lectures and practical exercises is an essential prerequisite for an adequate preparation of the subject.

Given the introductory nature of the course there are no specific prerequisites concerning its contents. However, students’ intellectual interest and curiosity is essential for reflection on the company issues and on the methods of determining and representing the company values.

In case the current Covid-19 health emergency does not allow frontal teaching, remote teaching will be carried out following procedures that will be promptly notified to students.

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG or on the Faculty notice board.