# Financial Accounting (Evaluations based on IFRS)

## Prof. Mario Gozzetti; Prof. Alberto Romeo

1. ***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The main objective of the course of Methodologies and Quantitative Determinations of International Accounting - valuations based on IFRS is in general the consolidation of the knowledge of the accounting rules applied in the preparation of financial statements in accordance with IAS/IFRS, developing the student's aptitude to consult regulatory sources, to apply the rules themselves, to the appropriate reading and interpretation of application practices, mainly in the industrial sector, as well as to discuss with appropriate language, conceptual autonomy and critical spirit the impacts in the financial statements resulting from the specific application of each principle under analysis.

This objective is pursued through the completion and deepening of the knowledge of certain international accounting standards, selected because they are more frequently applied, through the theoretical analysis of each accounting rule, the discussion of its interpretative complexities and its application through the illustration of case studies and professional experience gained by the lecturers or through critical analysis of the approaches followed by leading IAS Adopter groups as well as their application in the context of M&A transactions.

At the end of this course the students:

1. will have consolidated their knowledge of the main IAS/IFRS and their ability to research and read sources and will have developed the ability to illustrate their application complexity;

2. will be able to apply the acquired knowledge to practical matters, describing, with appropriate language and focus on the elements characterizing the general rule with respect to the matter, the methods of application and the potential accounting and financial statement effects;

3. will be able to research the accounting practices adopted by the main IAS Adopters, analysing and discussing the technical bases considered by them for similar or different treatment with respect to similar cases;

4. it will be able to clearly communicate and describe the main IAS/IFRS, the application methods, the accounting practices adopted and the technical bases of the same;

5. will be able to make progress in the analysis and preparation of financial statements according to IAS/IFRS rules, developing the ability to benchmark analysis of the various common application practices and technical discussion of the same, which are the basis of various professional activities on the subject.

***COURSE CONTENT***

A number of international accounting standards of particular importance are presented during the course.

I FORM: Prof. Mario Gozzetti

- IAS 2 - Inventories.

- IAS 11 - Contract work in progress.

- IFRS 15 - Revenues.

- IAS 36 - Impairment of assets.

A part of the course is also dedicated to special issues i) encountered in the audit activities carried out as part of acquisitions and other extraordinary operations ii) which are addressed in particular with reference to the application of IAS 36 in contexts of financial and real crisis, including the assessment of the effects caused by the Covid 19 pandemic.

II FORM: Prof. Alberto Romeo

- IAS 1 - Presentation of Financial Statements.

- IAS 8 - Changes in accounting estimates and errors.

- IAS 10 - Events occurring after the balance sheet date.

- IAS 12 - Income Taxes.

- IAS 16 - Property, Plant and Equipment.

- IFRS 16 - Leases.

- IAS 37 - Provisions, contingent liabilities and contingent assets.

- IAS 38 - Intangible Assets.

- IFRS 2 - Share-based payments.

A part of the course will also be dedicated to the IASB's plans to update standards and issue new standards, if significant with respect to the standards covered by the course.

The lessons will be developed with reference to the content of the standard, the complexities connected to its application and some experiences and case studies, referring to listed groups, considered emblematic.

***READING LIST***

Readings required:

*International Accounting Reporting Standards (IFRSs)* including international accounting standards (IASs) and interpretations, in Italian translations or from the original sources in English.

***TEACHING METHOD***

The teaching method is largely based on lessons designed to convey the fundamentals of international accounting standards and to analyze the main complexities and application peculiarities through case studies and/or approaches adopted by IFRS Adopter companies. The lessons will be held with the support of summary presentations of the topics that will be discussed in the classroom, made available at the beginning of the course.

The course is delivered in two modules, one by Prof. Gozzetti and one by Prof. Romeo.

***ASSESSMENT METHOD AND CRITERIA***

The final exam aims to assess the student's preparation in relation to the teaching objectives. The verification of learning is based on a final examination by means of a written test divided into two series of five or six questions, depending on their complexity, with open answers and exercises, each referring to the accounting principles analysed in each of the two modules. The written test is aimed at ascertaining knowledge of the international accounting standards, identification of the standard to be applied with respect to practical cases and knowledge of the practical procedures for their application.

The voting is determined on an equal basis by the thematic and linguistic mastery demonstrated in the development of the arguments, and in particular the effectiveness of the focus of the elements characterizing the principle, the ability to synthesize them descriptively, the correct application to the proposed cases according to the prevailing interpretations and the appropriateness of the technical language used.

The evaluation will be expressed in an overall way with reference to both modules on which the course is articulated.

There will be an intermediate test at the end of the classroom presentations, intended for students attending the lessons.

The criteria for the award of the final grade are the following:

- The broad awareness of the topics, the ability to critically apply the knowledge and the specific linguistic and expressive property in the technical-accounting field, as well as the correct execution of the application exercises with an effective description of the methodological approach followed, will lead to grades of excellence, with possible awarding of praise only in cases where the candidate demonstrates extraordinary preparation.

- A capacity for analysis and synthesis not fully articulated and/or the use of language not entirely appropriate and the conduct of the exercises with a correct approach and satisfactory description of the methodology followed will lead to discreet/good assessments, with differentiation of the grade depending on the level of preparation demonstrated in the examination.

- The presence of training gaps or the use of inappropriate language, if in any case consistent with the elements characterizing the accounting rule, within the basic knowledge of the program will lead to an assessment of sufficiency.

- The emergence of serious training gaps and in any case having neglected part of the programme, the use of incorrect language or the lack of consistency of the concepts expressed with the applicable basic technical rules will lead to an insufficient assessment.

***NOTES AND PREREQUISITES***

Attendance at lessons and exercises is highly recommended.

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.