# Financial Accounting

## Prof. Alessandro Panno; Prof.ssa Roberta Cerato

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

The course is aimed at studying the logic underlying the preparation of financial accounts, from the standpoint of both the provisions of the local standards (Civil Code and italian accounting standards) and international accounting standards. In this context, the aim of the course is to develop the students’ awareness that income and equity determination imply a complex economic reasoning on the business.

This course also aims to provide students with the required skills to be able to independently face real problems concerning the financial statement reporting at a practical level. In this respect, the different syllabus topics are developed also through exercises, business cases, and examples based on real cases.

Students are expected to acquire adequate knowledge of the following:

– construction and reading of the financial statements prepared in accordance with civil law and Italian accounting standards;

– construction and reading of the financial statements prepared in accordance with international accounting standards;

– the most important valuations required in financial statements (and the consequent room for discretion allowed by) both according to the civil law and the Italian accounting standards and according to the international accounting standards;

– the main tax profiles related to the construction of the financial statements;

– the essential foundations of the group's consolidated financial statements.

***COURSE CONTENT***

1. *Financial accounts: general theory.*

– Financial accounts: financial statement model.

– Income and equity: concepts and characteristics.

– Financial accounts: object and functions.

2. *Rules for financial accounts in Italy*.

– Sources of laws/regulations of financial accounts in Italy.

– The financial statement model according to the national civil code and the international accounting standards.

– Fiscal laws/regulations (overview).

3. *Financial reporting* *documents*.

– Financial account structures and contents.

– Balance sheet, profit and loss account and cash flow statement outlines.

– Notes to the financial statement and management report.

– Reading of civil financial statements and IAS/IFRS.

4. *Valuations in financial accounts*.

– Valuations of assets: tangible and intangible fixed assets, securities and shares, inventories, work in progress, trade receivables.

– Valuations of liabilities: trade payables; provisions for risks and charges.

– Determination of current, deferred and prepaid taxes.

5. *Introduction to consolidated financial accounts*

– Group consolidated financial accounts; object, and purposes.

– Consolidation area and consolidation methods.

– Nature and accounting treatment of consolidation differences.

***READING LIST***

A. Palma (edited by), *Il bilancio di esercizio,* Giuffrè, Milan, 2022.

R. Stacchezzini (a cura di), *Bilancio d’impresa. Esercizi svolti,* Egea, Milano, 2018.

The exam preparation will be supplemented with the material made available to students through the Blackboard platform (lesson slides and other documentation).

***TEACHING METHOD***

The course is divided into a cycle of lectures carried out with the aid of slides and other supporting material. The slides are made available to students through the Blackboard platform before each lecture.

A systematic cycle of practical exercises aimed at an in-depth analysis of the accounting standards and assets and liabilities evaluation will be held in parallel with the lectures. During the course real companies’ financial statement cases will be examined. The text of each practical exercise is made available to students through the Blackboard platform before the relevant solution.

***ASSESSMENT METHOD AND CRITERIA***

The assessment includes an interim test that, in case of a positive outcome, accounts for one third of the exam and is worth one third of the final mark. Hence the syllabus contents contained in the interim test will not be included in the final exam. The interim test is structured into multiple choice questions (including both theoretical-general and practical-quantitative issues) and an exercise. If students pass the interim test, the result will be considered valid only in the first exam session following the test.

The complete examination is structured in a written test, divided into three parts: the first part consists of multiple-choice questions (both theoretical-general and applicative-quantitative) relating to points 1, 2, 3 of the course content; the second part consists the second part is structured in multiple choice questions (of both a theoretical-general and applied-quantitative nature) relating to points 4 and 5 of the program. The third part of the exam consists of an exercise aimed at verifying the methodological application of the students’ acquired knowledge and specific competences on the operational aspects of the course content.

Students will pass the test if the scores obtained are at least 18/30 in each of the three parts of the exam.

Students who have passed the interim test will perform only the second and third part of the test in the exam session immediately following the interim test.

The oral exam may be: a) required by the students who have passed the final written test in case they feel that their preparation does not correspond to the outcomes of the test; b) requested by the lecturers.

***NOTES AND PREREQUISITES***

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.