# Accounting and Financial Reporting

## Professor Monica Veneziani

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

The course aims to introduce first-year students to the financial statements of operating businesses. The course is organised into three parts: the first deals with the logic and methodology of double-entry bookkeeping, also via the use of practical examples, both as regards business transactions and with reference to the process of formation of the separate financial statements; the second examines the content and structure of the individual financial statements as established by the current provisions of civil law; the third analyses the accounting standards for the assessment of assets and liabilities. The general focus is on national legislation with some references to the international accounting standards IAS/IFRS.

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

* know the valuation criteria defined by the national accounting standards and some criteria contained in the international accounting standards IAS/IFRS;
* draw up company financial statements, in accordance with current national legislation;
* read and interpret the economic, financial and equity dynamics related to the management of business, of data contained in the financial statements and in the explanatory notes.

More in detail:

*a) Knowledge and understanding*

The course is organised into three parts: the logic and methodology of double-entry bookkeeping; the content and structure of the individual financial statements according to civil law; the accounting standards for the assessment of assets and liabilities. The course allows the student to learn all the phases of determination of financial statement values according mainly to Italian legislation.

*b) Applying knowledge and understanding*

On the basis of the knowledge acquired, at the end of the course the student will be able to draw up and critically read the financial statements of industrial, commercial and service companies (excluding banks and insurance companies). Knowledge and understanding applied to the financial statements will also be an indispensable working tool for the studies in the master's degrees.

*c) Making judgment*

The course allows students to critically address the assessment issues related to assets and liabilities in the financial statements. The student will be able to analyze, interpret and provide, with methodological adequacy, solutions to the most recurrent business problems related to the financial statements.

*d) Communication skills*

The course allows students to acquire the knowledge to interact with: entrepreneurs, administrative directors, CFOs, managers, professional accountants and auditors. At the end of the course, students will acquire interdisciplinary communication skills related to financial statements. Communication skills are particularly developed during the training activities which include the discussion of examples in the classroom.

*e) Learning skills*

At the end of the course, the student, through lectures, practical exercises and case studies, matures the ability to learn the contents of the course and then apply them at the professional level.

***COURSE CONTENT***

* The double-entry methodology applied to the income system;
* Main classes of operations;
* Continuous and settlement writings;
* Closing entries and drawing up the financial statements
* The opening of accounts and the destination of the operating income
* Evaluation criteria;
* Income taxes (outline);
* Financial management;
* The financial statements intended for publication: balance sheet, income statement and cash flow statement;
* The notes, the management report, other supplementary disclosure documents and non-financial disclosure.

***READING LIST***

Textbooks

P. Andrei-A. M. Fellegara*,* *Contabilità generale e bilancio d’esercizio*, Giappichelli, Turin, 2022.

The textbook is supported by an online Exercise Book to facilitate the practice of accounting recognition by students, and by exercises uploaded to Blackboard relating to the valuations of the main financial statement items.

The teaching materials and cases entered by the lecturer on the Blackboard platform are an integral part of the course and must be considered as textbooks.

***TEACHING METHOD***

The course offers parallel lessons on general themes relating to the separate financial statements and practical sessions concerning the individual phases of the technical construction process. Published financial statements will be used as practical examples. Interactive frontal teaching methods are used.

***ASSESSMENT METHOD AND CRITERIA***

Assessment, the same for all students (frequented and not attending), will be in the form of a written examination. The exam involves the response to open questions of theory and the solution of exercises and case studies related to the construction of the financial statements. The exam includes 4 parts focused on the following aspects:

1. Drafting of continuous accounting records relating to the main management operations
2. Drafting of settlement, rectification and year-end closing records. Construction of balance sheet and income statement.
3. Knowledge of the financial statements according to civil law
4. Evaluation of the main categories of assets and liabilities

To pass the exam it is necessary to achieve the sufficiency in the theoretical part (50 %) and in the exercises/case studies (50 %). No books of any kind, regulations, or course notes can be used during the examination. The use of a non-programmable calculator is allowed. The written exam, in addition to verifying the knowledge and understanding of the topics covered, aims to verify the above competences (see Educational objectives): the questions, in fact, include descriptive elements but also critical ones. Necessary to pass the exam is the correct use of the terminology and a clear and concise written part that exposes the logical connections between the aspects considered.
The duration is about 2 hours.

Students can take an interim test relating to the topics described in points 1) and 2) above.

***NOTES AND PREREQUISITES***

There are no content-related prerequisites for the course. However, we recommend that students previously study the topics covered by the Business Administration course which is held in the previous semester precisely for this purpose.

Information on office hours available on the teacher's personal page at <http://docenti.unicatt.it/>.