**Financial Accounting**

Professor Carlotta D’Este

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

This course is designed to provide students with an understanding of corporate financial reporting and with technical and problem solving skills in the area of financial accounting.

According to the foregoing objectives, at the end of the course students are expected to demonstrate to:

* understand the usefulness of financial information and know the role of the accounting process in communicating corporate performance to external users
* know the concepts and measurements methods that underlie financial statements, along with the double-entry system and the basic financial accounting standards for the preparation and presentation of companies’ financial reports
* be able to record the effects of business transactions under the double-entry system of bookkeeping, using both journal entries and T-accounts
* be able to prepare and present financial statements, as required by International Financial Reporting Standards IAS/IFRS

***COURSE CONTENT***

The course content is organized as follows:

* Introduction to the role of financial accounting, as the language of business, and to the content of firms’ annual reports
* The accounting equation as the premise underlying double-entry accounting. The recording of business transactions using T-accounts and journal entries
* Accrual accounting and year-end adjustments
* The structure and content of balance sheet, income statement, statement of cash flows and statement of changes in equity
* International Financial Reporting Standards IAS/IFRS for the evaluation of assets and liabilities: receivables, inventory, tangible, intangible and financial assets, liabilities. Income taxation
* ESG reporting: overview.

***READING LIST***

W. T Harrison Jr, C. T. Horngren, G. L. Sundem, C. W. Thomas, W. M Tietz, T Suwardy, *Financial Accounting*, International Financial Reporting Standards, Pearson (latest issue) is the recommend textbook. The detailed program that will be uploaded in Blackboard will specify the textbook relevant chapters and readings.

Additional teaching materials, as slides and exercises solutions, will be uploaded to Blackboard.

Suggested readings: International Financial Reporting Standards IAS 2, IAS 11, IAS 16, IAS 36, IAS 37, IAS 38, IFRS 16, IFRS 9.

***TEACHING METHOD***

During the course, interactive lectures will be complemented with in-class exercises. Practice exercises from the textbook are suggested and solutions are uploaded to Blackboard.

***ASSESSMENT METHOD AND CRITERIA***

Theoretical and skill objectives will be evaluated as follows:

* Closed-book written mid-term exam (50%), including applied problems, exercises and multiple choice questions to test the knowledge and the ability to apply it to the recording of business transactions and to year-end adjustments
* Closed-book written final exam (50%), including applied problems, exercises and multiple choice and open-ended questions to test the knowledge and the ability to apply it to the evaluation of financial statement items and to the preparation and presentation of financial statements.

The exam will be aimed at assessing students’ knowledge of international accounting rules and records and their ability to apply them to exercises and problems. Furthermore, it will allow to appreciate their ability to interpret financial information provided by the notes to the accounts, as an integral part of annual reports.

Students assessment will take into account the accuracy in the application of accounting rules and techniques, as well as answers consistency and students’ ability to critically analyse accounting data.

The course evaluation is expressed by means of a grade on a 30-point scale.

***NOTES AND PREREQUISITES***

The course assumes that the students have a good understanding of fundamentals of management.

Information on office hours is available at http://docenti.unicatt.it/.