

- Faculty of Economics
- www.unine.ch/seco

Financial Accounting

Characteristics

- 6 ECTS credits
- Core for Master in Finance
- Autumn semester
- courses: 4 hours/week
- Evaluation: 2-hour final exam: 1/2
2 hour mid term exam: 1/4
paper presentation and resume: 1/4
- Prerequisite : basic financial accounting rules and techniques

Teaching

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Objectives

The aim of this course is to provide knowledge and skills for analyzing accounting information. By the end of this course, students will:

1. have an understanding of the function of financial accounting within organizations and understand the way in which performance of a business is reported
2. be aware of the limitations of accounting information for use by both internal and external users
3. have an overview of the major theories used in current accounting research
4. be able to use accounting theory to evaluate the current financial reporting environment

This course rests on a user perspective of financial statements and is therefore well suited for participants who expect to be active users of financial statements as part of their professional responsibilities. Students with prospective careers in the preparation and auditing of financial statements will also benefit from a deeper understanding of the use of financial information.

Content

The first part of this course focuses on the financial reporting process from a practical perspective. Specifically, we consider how public companies do report on their financial performance, according to the prescriptions of the International Accounting Standards Board (IASB).

The second part of this course questions the financial reporting process from a theoretical perspective. We put the emphasis on discussing the contribution of accounting theories – especially those, which examine the role of financial accounting in companies' decision-making.

Prerequisites and teaching methods

Students have to be familiar with basic financial accounting rules and techniques, including those for consolidations.

The course objectives are reinforced through the course reading materials, assigned problems, in class problem solving and class discussions. Each student will have 20 to 30 minutes to present a paper. She or he will have to write a 5-page resume demonstrating her (his) ability to understand and explain the main contributions of the paper under study. The resume will be available to other students through the Claroline portal.

Assessment

Assessment is based on a paper presentation, a 120 minute written mid term examination and a 120 minute written examination at the end of the term.

Textbooks

- International financial reporting standards, IASB, 2007
- Scott, W., Financial Accounting Theory, 3e, Prentice-Hall, 2003.
- Watts and J. Zimmerman, Positive Accounting Theory, 2e, Prentice-Hall, 1986.
- Deegan C. & Unerman J., Financial accounting theory, McGraw-Hill Education, Maidenhead Berkshire, 2006.