

FINANCIAL ACCOUNTING

COURSE DETAILS

Code	36252
Degree	Degree in Business Management
Mention	Business creation and management
Character	Basic Training
Year	1º
ECTS	6

Professors

Name	Department	Tutorials
Ana Galeano	Accounting	By appointment

SUMMARY

Financial Accounting is a basic course scheduled during the first semester of year 1. This introductory course is needed in order to provide the students with the understanding of the 'accounting language' needed for subsequent courses (i.e., Cost accounting and Financial Analysis).

Accurate, reliable and on-time financial information is crucial for decision taking.

The objective of this course is to provide students with an understanding of:

- the information contained in Financial Statements
- the effects of economic events on Financial Statements
- the use of accounting information for internal as well as for external decision makers
- the measurement theories underlying Financial Statements,
- the ethical dilemmas in financial accounting, and
- financial reports – what they do and do not communicate

PRIOR KNOWLEDGE

Not required.

COMPETENCES

BASIC COMPETENCES:

- GI.1 - Analysis and synthesis
- GI.2 - Organization and planning
- GI.8 - Decision making
- GP.1 – Teamwork
- GP.3 – Critic and auto critic thinking
- GS.1 - Self study
- GS.2 – Adaptation
- GS.3 – Creativity
- GS.8 - Coordination

SPECIFIC COMPETENCES:

- EG.2 - Ability to prepare and understand the financial information, both external and internal.
- EA.11 – Ability to prepare and interpret the financial statements and understand the implications in other areas of the company.
- EA.13 – Ability to assess the economic and financial consequences of the GAAP application.
- EA.16 – Ability to apply and introduce continuous improvements in the organization.

LEARNING OUTCOMES

STUDENT PERFORMANCE OBJECTIVES

UPON COMPLETION OF THIS COURSE, STUDENTS WILL BE ABLE TO:

- ❑ Have a basic knowledge of economic and financial information of the company, operating cycle and income generation. Understand the need of periodic, reliable, accurate and updated financial information.
- ❑ Understand the 'language' of business, its uses and limitations,
- ❑ Interpret and understand how economic events affect the Balance Sheet, Income Statement and Statement of Cash Flow.
- ❑ Consider the relative importance of net income and cash flows in the context of a value creation orientation
- ❑ Analyze ethical dilemmas in financial accounting while developing the necessary analytical skills to recognize them and deal with them.

COURSE CONTENTS

Chapter 1. Financial accounting concept & reporting

- 1.1. Accounting as an information system
- 1.2. The Annual Report
- 1.3. The Financial Statements and their elements: Income Statement, Statement of Retained Earnings, Balance Sheet, and Statement of Cash Flows
- 1.4. General Accepted Accounting Principles (GAAP & IFRS)
- 1.5. National Accounting Standards (PGC)

Chapter 2. Analyzing business transactions

- 2.1. Measurement Issues
- 2.2. Introduction to double entry record
- 2.3. Business Transaction Analysis
- 2.4. The Trial Balance
- 2.5. Recording and Posting Transactions

Chapter 3. Accounting cycle and Closing

- 3.1. Profitability Measurement Issues: Net Income
- 3.2. Accrual Accounting
- 3.3. The Adjustment Process & Closing Entries
- 3.4. The Operating Cycle and Merchandising Operations
- 3.5. Inventory costing methods (FIFO, LIFO and Average Cost).
- 3.6. Cash & Receivables

Chapter 4. Long-lived assets

- 4.1. Management Issues Related to Long-Term Assets
- 4.2. Property, Plant, and Equipment
- 4.3. Depreciation
- 4.4. Disposal of Depreciable Assets
- 4.5. Revaluation of Tangible Assets. Impairment of Assets
- 4.6. Natural Resources
- 4.7. Intangible Assets

Chapter 5. Financial assets

- 5.1. Financial Instruments: Non-current assets Classification.
- 5.2. Financial Assets Valuation.
- 5.3. Loans & Accounts Receivable
- 5.4. Investments held to maturity
- 5.5. Financial assets held for trading
- 5.6. Financial Assets available for sale

Chapter 6. Liabilities and Equity

- 6.1. Accounting for current liabilities
- 6.2. Management Issues Related to Long-Term Debt Financing
- 6.3. The nature of Bonds
- 6.4. Stockholders' equity

Chapter 7. The Statement of Cash Flows

- 7.1. Cash Flows from Operating Activities
- 7.2. Cash Flows from Investing Activities
- 7.3. Cash Flows from Financing Activities
- 7.4. Analysis

WORKLOAD

ACTIVITIES	HOURS	ATTENDANCE REQUIRED
Lectures	30	Yes
Practical sessions	30	Yes
Group assignments preparation	5	No
Individual assignments preparation	4	No
Self-preparation and study for evaluation activities	31	No
Self-preparation and study for assignments and lectures	30	No
Self-preparation and study for practical sessions	20	No
TOTAL	150	

TEACHING METHODOLOGY

According to the core competences to be developed, the following methodologies will be used along the course:

- Class presentations of technical concepts. So, it is recommended to review the corresponding book chapter prior each session.
- Exercise resolution – the practical sessions will use book exercises and cases.
- Student presentations – some exercises will be requested and students will have to present them to the rest of the class.
- Case method
- Videos

Assignments

Lectures and practical sessions will be completed with individual and/or group assignments in which several problems will be laid out, solved with the adequate software and utterly the solutions will be analyzed.

EVALUATION CRITERIA

The ordinary assessment system will have the following characteristics:

Learning outcomes	Activities to be evaluated	Assessment criteria	Weights
The student will be able to understand concepts related to business and corporate transactions of companies and their accounting, to identify the economic and financial structure of a company, to keep the accounting of a company and to identify the regulations governing the register and repository of a company's financial duties.	<i>Knowledge Tests</i>	<ul style="list-style-type: none"> Two different mid-term tests consisting of multiple choice quiz & problem solving made on a computer system (45%) One final exam (15%) 	60%
	<i>Exercises</i>	<ul style="list-style-type: none"> Deliver every single class assignment on time and correct them in class 	10%
The student will be able to keep the accounting of a company and to make decisions related to business management	<i>Report Activity</i>	<ul style="list-style-type: none"> Build a report and make an oral presentation 	25%
The student will be able to know the basic technical vocabulary in both Spanish and English	<i>Spanish Activity</i>	<ul style="list-style-type: none"> Deliver class assignment on time 	5%

CALLS FOR EVALUATION

1st Call: To assess the course it is necessary to pass all knowledge tests with at least a score of 5 over 10 to make average with the other grades. Otherwise, the student will have the chance to pass a final exam at the end of the semester.

Final Exam: There will be a chance to rise global score taking a final exam. This will count 15% over in final grade.

2nd Call: Those students who do not exceed the 1st call have to take a new final examination in 2nd call.

The continuous evaluation is not recoverable; therefore, the grade obtained during the continuous evaluation of the subject will be maintained both in the 1st call and in the 2nd call.

The final exam is mandatory and a minimum score of 5 over 10 is also required to pass the course.

Continuous evaluation (score saved from 1 st call assessment)	40%
Final exam	60%
TOTAL	100%

RE-REGISTRATION AFTER FAILING IN SECOND EXAMINATION

Students who do not pass the course in 1st / 2nd call and who do not repeat course, will have to register again. They will have the right to 3rd and 4th call. The evaluation will be as follows:

Continuous evaluation: 20% of the final grade, which will consist of a set of exercises related to the topics covered in the subject. Students have to send the teacher the file at the end of the semester and before the exam.

Final exam: 80% of the final grade.

CLASS ATTENDANCE

Class attendance is compulsory for the appropriate understanding of the course. Absences above 4 of the total number of sessions will imply that the student will not obtain any grade for activities.

Therefore, the final grade will be calculated applying 60% over the exam grades.

SPELLING, GRAMMAR AND EXERCISE PRESENTATION

Students must comply with the rules of correct spelling, punctuation and grammar in their works and examinations. These formal aspects will be taken into account in their evaluation.

In addition, exercises asked to be delivered to the teacher **must be typed, not handwritten**. Hence, those exercises written in hand will not be accepted.

REFERENCES

TextBooks:

- FINANCIAL ACCOUNTING (2017) Libby/ Libby/ Hodge, 9th Edition, McGraw Hill International Edition.
- FINANCIAL ACCOUNTING. C. William Thomas; Wendy M. Tietz; Walter T. Harrison Jr. Pearson 12th edition (2019). ISBN-13: 9780134725987
- INTRODUCTION TO FINANCIAL ACCOUNTING. Horngren, Sundem, Elliot. Ed. Pearson. 11th edition. ISBN-10: 0133251039 • ISBN-13: 9780133251036©2014
- FINANCIAL ACCOUNTING. Belverd, E. Needles. Ed. South_Western College Publishing. 11th edition. ISBN 13: 978-1-111-52554-5, ISBN 10 1-111-52554-4
- BUSINESS ACCOUNTING VOLUME 1. F. Wood, A. Sangster. Ed. Prentice Hall. 12th edition. ISBN : 0273759280, ISBN13 : 9780273759287

Web Links:

- Spanish General Accounting Plan <http://www.icac.meh.es/seccion.aspx?hid=34>
- Additional material on International Accounting Standards (IAS/IFRS) can be found on the following website: <https://www.iasplus.com/en>