

Course Title	Advanced International Financial Reporting				
Course Code	AEM630				
Course Type	Compulsory				
Level	Master (2 nd Cycle)				
Year / Semester	1 st Year / 2 nd Semester				
Teacher's Name	TBA				
ECTS	10	Lectures / week	3 Hours / 14 weeks	Laboratories / week	None
Course Purpose and Objectives	The objective of this course is to develop knowledge and skills in understanding and applying accounting standards in the preparation of financial statements of business combinations, and analyzing and interpreting those financial statements.				
Learning Outcomes	<p>Upon successful completion of this course students should be able to:</p> <ul style="list-style-type: none"> • Critically evaluate why firms engage in business combinations and know how to account for such combinations; • Assess the conditions required for an undertaking to be a subsidiary or an associate of a group; • Prepare consolidated financial statements; • Analyze, interpret and report on financial statements (including cash flow statements) and related information to address users' and stakeholders' needs; • Assess the limitations on the usefulness of corporate reports as an effective means of communication, including quality of disclosure and issues of creative accounting; • Critically evaluate the usefulness of accounting information in the decision making process; • Evaluate the accounting policies and governance structure adopted by companies as well as the reporting regulations, such IFRS, and their impact on the quality of earnings. 				
Prerequisites	AEM600 (For all students, except first degree Accounting holders or equivalent, and holders of an Accounting/Audit Professional Qualification)			Co-requisites	None
Course Content	<p>The concept and principles of a group.</p> <p>Describe the concept of a group as a single economic unit; explain and apply the definition of a subsidiary within relevant accounting standards; describe why directors may not wish to consolidate a subsidiary and the circumstances where this is permitted; explain the need for using coterminous year ends and uniform accounting policies when preparing consolidated financial statements; explain why it is necessary to eliminate intra-group transactions.</p> <p>The concept of consolidated financial statements.</p>				

Explain the objective of consolidated financial statements; indicate the effect that the related party relationship between a parent and subsidiary may have on the subsidiary's entity statements and the consolidated financial statements; describe and apply the required accounting treatment of consolidated goodwill

Preparation of consolidated financial statements including an associate.

Prepare a consolidated statement of financial position for a simple group (parent and one subsidiary) dealing with pre and post-acquisition profits, minority interests and consolidated goodwill; Prepare a consolidated profit or loss and consolidated statement of comprehensive profit or loss for a simple group dealing with an acquisition in the period and minority interest; Explain and account for other reserves (e.g. share premium and revaluation reserves); Account for the effects in the financial statements of intra-group trading; account for the effects of fair value adjustments (including their effect on consolidated goodwill) to depreciating and non-depreciating non-current assets, inventory, monetary liabilities, assets and liabilities not included in the subsidiary's own statement of financial position, including contingent assets and liabilities; Account for goodwill impairment; Define an associate and explain the principles and reasoning for the use of equity accounting; Prepare consolidated financial statements to include a single subsidiary and an associate.

Analyze and interpret Financial statements

- a. Provides a framework for interpreting and forecasting a huge quantity of financial data in an organized and systematic manner.
- b. Cash Flow Analysis and describe how to use the information in the resulting cash flow statements to evaluate the cash consequences of the company's operating, investing and financing activities.
- c. Evaluate how well the accounting reflects the underlying economics of the business.
- d. Undress the limitations of financial statement information and provide guidelines for addressing these limitations.

Other Accounting and Audit Issues

- a. Non-recurring items, valuation of tangible and intangible assets.
- b. Equity method of accounting.
- c. Earnings Management and Quality of earnings.
- d. Significance and Implications of auditors' opinion for financial reporting.
- e. Financial Reporting and Analysis for Investment & Business Combinations.
- f. Financial reporting and analysis for marketable securities.
- g. Bankruptcy prediction.
- h. Related party transactions.
- i. Other information disclosed in annual report.

Teaching Methodology	Face-to-Face								
Bibliography	<p>David Alexander, International financial reporting and analysis. Latest edition, Andover: Cengage Learning EMEA publications.</p> <p>Elliott, B. and Elliott E, 'Financial Accounting, Reporting and Analysis, International Edition, Latest Edition. Prentice Hall London.</p> <p>Paul M. Collier, Accounting for Managers, Interpreting Accounting Information for Decision-Making, Latest edition, Wiley Publications.</p> <p>Antony, R.N. Hawkins, D.F. and Merchant, K.A. Accounting: Text and Cases, Latest Edition, McGraw Hill.</p> <p>Lundholm, R. and Sloan, R. Equity Valuation & Analysis, Latest Edition.</p>								
Assessment	<table border="1"> <tr> <td>Examinations</td> <td>50%</td> </tr> <tr> <td>Assignments</td> <td>40%</td> </tr> <tr> <td>Class Participation and Attendance</td> <td>10%</td> </tr> <tr> <td></td> <td>100%</td> </tr> </table>	Examinations	50%	Assignments	40%	Class Participation and Attendance	10%		100%
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Language	English								