



ADVANCED FINANCIAL ACCOUNTING

Course code	<i>FIN118</i>
Course title	<i>Advanced Financial Accounting</i>
Type of course	<i>Main</i>
Stage of study	<i>Undergraduate</i>
Year of study	<i>3rd</i>
Semester	<i>Spring</i>
ECTS credits	<i>6: 48 hours of lectures and seminars, 112 hours of individual work, 2 hours of consultations</i>
Coordinating lecturer	<i>Dr. László Péter Lakatos</i>
Course prerequisites	<i>Financial Accounting</i>
Language of instruction	<i>English</i>

Course Description

This is a higher level financial accounting course that includes methodological and practical financial accounting solutions of specific business and organizations. The course provides knowledge and develops ability to make consolidated financial reports both for main and subsidiary firms. It also develops practical skills to manage financial accounting and reporting for non-profit companies.

Aim of the course

The course will help to understand international financial accounting standards (IFRS), to acquire knowledge on accounting of non-profit and governmental organizations, and to apply accounting principles in the case of corporate alliances, reorganization, bankruptcy and inflation.

Subject learning outcomes (SLO)	Study methods	Assessment methods
SLO1. Apply financial statements consolidation principles and methods;	Seminars, individual study	Final exam, Homework
SLO2. Describe and apply international financial reporting standards (IFRS);	Lectures, seminars, individual study	Mid-term exam, Final exam
SLO3. Describe methods for assessing financial reporting quality;	Individual study, seminar	Final exam
SLO4. Apply income tax accounting and evaluate its impact on financial statements;	Seminars, individual study	Seminar, Homework
SLO5. Describe the main principles of accounting for off-balance-sheet assets and liabilities;	Lectures, individual study	Midterm exam
SLO6. Calculate price change effect on financial performance;	Seminars, individual study	Mid-term exam, homework
SLO7. Perform accounting for financial instruments	Lectures, seminars, individual study	Mid-term exam, homework
SLO8. Describe accounting goals and objectives of non-profit organizations; Identify, classify, and keep accounting records of various non-profit organization events.	Seminars, individual study	Final exam

Quality issues

The lecturer assures a variety of teaching and testing methods. The feedback from students is always highly valued and appreciated.

Cheating issues

The teaching and testing methods are chosen taking into account the purpose of the minimization of cheating opportunities. The ISM regulations on academic ethics are fully applied in the course.



Topics:

	TOPIC	IN-CLASS HOURS	READINGS
1	International financial reporting standards (IFRS), revision, main considerations Accounting for leases.	1 3	Handouts Ch. 22
2	Revenue recognition under IFRS	4	Handouts
3	Accounting for financial instruments I. Classification and measurement	4	Handouts Ch. 3
4	Accounting for financial instruments II. The expected credit loss model. Selected elements of hedge accounting.	4	Handouts Ch. 4
5	Foreign currency accounting and reporting Income tax accounting	2 2	Handouts Ch. 12, 14
6	MID-TERM TEST	2	
7	Main issues in group accounting	4	Handouts Ch. 1, 2.
8	Consolidated financial statements	4	Handouts Ch. 3
9	Consolidation techniques and procedures	4	Handouts Ch. 4
10	Intercompany profit transactions	4	Handouts Ch. 5, 6
11	Accounting for associates and joint arrangements	4	Handouts
12	Financial reporting quality Accounting for the governmental organizations, and non-for profit organization	2 2	Handouts Ch 18, 22
	FINAL EXAM		
	Total:	48	

Individual work and assessment:

TYPE	TOTAL HOURS	EVALUATION, %
Midterm test	35	40
Homework	32	20
Final Exam	45	40
Total:	112	100

Course requirements:

1. Midterm test

It will be held after the first five topics. It counts towards 40% of the final grade. The midterm test will be based on topics 1-5. Calculators may be used, provided they cannot store text.

2. Homework and its presentation

Students work in small groups on a selected case study. Details on the homework requirements will be provided during the first week. Homework report must comply with ISM requirements. Homework and its presentation counts towards 20% of the final grade.



3. Final exam

The exam counts towards 40% of the final grade. The exam will be based on topics 7-12. Calculators may be used, provided they cannot store text.

In case of a negative final grade, students are allowed a re-sit exam. It will cover all course material. The weight of a re-sit is 80%. Homework cannot be rewritten but its evaluation (if positive) is not annulled.

Main readings:

1. Advanced financial accounting – handouts (provided by the lecturer online)
2. Relevant International Financial Reporting Standards.
3. Beams, F.A., Anthony, J.H., Bettinghaus, B., Smith, K., 2017. Advanced Accounting, Global Edition. 13th ed. Pearson.

Additional readings:

1. ACCA study books for F7 module (any edition after 2016)
2. Scott, W.2003. Financial Accounting Theory. Irwin.
3. Lewis & Pendrill, 2004. Advanced Financial Accounting, 7 ed. Pearson Education.
4. Kothari & Barone, 2011. Advanced Financial Accounting: an International Approach, 1 ed. Pearson Education.