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## Financial accounting and analysis (main issues in application of IFRS)

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### Course aims and intended learning outcomes

The course provides students with advanced tools of financial accounting, based on IAS/IFRS, to allow them to understand some complex issues related to the preparation of individual and consolidated financial statements. It includes some techniques of financial statement analysis, focused on the dynamic interactions among the key amounts included in the B/S, the I/S and the cash flow statement.

At the end of the course, students will:

- Be knowledgeable about the international accounting context, in particular as far as IAS/IFRS are concerned, their purpose, concepts, standards and advanced techniques of financial accounting measurement and disclosure;
- Be able to apply advanced financial accounting measurement and disclosure methods to a full set of IAS/IFRS compliant financial statements, as prepared by a public company;
- Be able to take informed decisions about the accounting policies to be applied to specific contexts and to appreciate their effect on the economic and financial results of a public company, in compliance with the existing laws and regulations;
- Be able to accurately motivate their decisions on accounting policies at a professional level;
- Be able to tackle more complicated financial accounting issues, by using their judgement in an autonomous way.

### Course content

1. IFRS: Conceptual Framework; IAS 1 – The Structure of Financial Statements.
2. Introduction to International Accounting and its Regulatory Context.
3. IAS 16 and 38: Tangible and Intangible Assets. Financial Leases (IFRS 16). Impairment test (IAS 36).
4. Accounting for Inventories, Revenue from Contracts with Customers (IAS 2 and IFRS 15).
5. Accounting for Provisions (IAS 37).
6. Accounting for Employee Benefits and Income Tax (IAS 19 and IAS 12).
7. Business Combinations: Rules and Exceptions.
8. Introduction to Financial Instruments (IFRS 9).
9. Non-current Assets Held For Sale and Discontinued Operations (IFRS 5).
10. IAS 7 - Cash Flow Statement.
11. Company Groups and Introduction to Consolidated Accounts.
12. Financial Statement Analysis: Reclassification of the B/S and the I/S.
13. Relationships Between the B/S, the Cash Flow Statement and the I/S. The Impacts on Share Value

### Reading list

A. MELVILLE, *International Financial Reporting. A Practical Guide*, Pearson, 2019, 7th edition, (ISBN: 978-1292-29312-7).

Additional reference materials (slides, additional exercises and suggested readings) will be posted on Blackboard.



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## Teaching method

Lectures and exercise sessions. Technical experts may be invited as guest speakers, to illustrate from a technical point of view some real cases taken from their personal experience as certified public accountants, statutory auditors, CFOs. Exercise sessions, instead, will be offered by the instructor and will consist in practicing the techniques thoroughly explained in the previous theoretical sessions, by using quantitative and qualitative examples taken from academic texts and professional license examinations.

## Assessment method and criteria

Grading will be based on written exams including both essay questions and exercises. The essay questions aim at assessing the ability of the students to illustrate the contents of the specific accounting principles explained during class and to show the rational links to the conceptual framework of IFRS, to other specific accounting principles, and to the main corporate governance rules applicable to companies listed on EU regulated capital markets. The exercises aim at assessing the ability of the students to effectively apply the specific technical methods to generic and more specific cases. The autonomy of the students in finding the right technical solution to new “non-standard” cases is also assessed.

No mid-term examination will be offered. The specific modalities will also be communicated at the beginning of the course and made available on Blackboard.

## Notes and prerequisites

The course, being “advanced”, takes for granted the knowledge of basic financial accounting techniques (double entry book-keeping, end-of-year closing entries, preparation of B/S and I/S). Class participation is strongly encouraged.