

### ABSA307 - Advanced Accounting Practice

Course Title	Advanced Accounting Practice			
Course Code	ABSA 307			
Course Type	Elective			
Level	BA (Level 1)			
Year / Semester	5 <sup>th</sup>			
Teacher's Name	Dr Christos Minas / Dr Andreas Georgiou			
ECTS	6	Lectures / week	3	Laboratories/week
Course Purpose	The course builds on the principles obtained in the previous modules in financial accounting. It aims to develop the student's knowledge and skills in understanding and applying accounting standards; in applying accounting standards to the preparation of financial statements of individual and group entities, It also aims to provide the student with the skills to analyse and interpret those financial statements.			
Learning Outcomes	<p>By the end of the lesson, the student will be able to:</p> <ol style="list-style-type: none"> <li>1. Examine the principles concerning group accounting and use this knowledge to prepare consolidated accounts for groups.</li> <li>2. Prepare limited companies accounts to comply with International Accounting Standards, International Financial Reporting Standards and other related pronouncements.</li> <li>3. Interpret the information provided by limited companies accounts, group accounts, notes to the financial statements and cash flow statements.</li> <li>4. Appraise and critically appraising and applying the accounting standards applicable to the syllabus including: inventories, prior year adjustments, taxation, contingencies, constructions and goodwill amongst others.</li> <li>5. Identify the principles of the cash flow statement and prepare cash flow statements in accordance with international accounting standards both for individuals and groups.</li> <li>6. Examine the theory and practice of double entry bookkeeping as applied to investments with their effect on the statement of financial position and statement of profit.</li> <li>7. Prepare ledger entries for participants in joint venture businesses where the joint venture does not have separate books.</li> </ol>			

	<p>8. Prepare the ledger and journal entries concerning the implementation of a capital reduction scheme (or capital reorganisation). Prepare the revised statement of financial position and interpret the results.</p> <p>9. Work in groups by participating in joint projects interpreting the results of public companies and presenting their results.</p> <p>10. Demonstrate university-level communication skills for presentations and written reports.</p>		
Prerequisites	ABSA 204.	Corequisites	None.
Course Content	<ul style="list-style-type: none"> <li>• <b>All aspects from previous modules in financial accounting that is ABSA 101, ABSA 102 ABSA 203 and ABSA 204 are carried forward to this module.</b></li>   <li>• <b>Advanced aspects of consolidated financial statements:</b> Prepare group statements of financial position (balance sheets) and financial performance (statements of comprehensive income). Examine consolidated adjustments such as inter group balances, unrealised profits on inter-group transactions, fair value adjustments and dividends between group companies amongst others. Solving exercises on consolidated adjustments. Examine the accounting treatment of associates and joint ventures in consolidated financial statements.</li>   <li>• <b>Accounting standards:</b> Identify and explain the main principles concerning international accounting practice including amongst others: inventories and biological assets, revenues (including construction contracts), provisions, financial assets, financial instruments, taxation, post balance sheet events (events after the reporting period), leasing, and contingencies and apply them to min-case studies. Identify and examine the principles concerning international accounting standards for prior year adjustments and impairment of assets and applying them to mini-case study scenarios. Explain and apply: definitions, recognition and measurement criteria, accounting treatment and disclosure requirements on all standards covered.</li>   <li>• <b>Interpretation of performance:</b> Discuss the rationale behind ratio analysis. Identify and calculate performance indicators used</li> </ul>		

in investment decisions. Interpret the financial performance and position of the firm (including public companies) from financial statements.

- **Statements of cash flow:** Recognise formats in line with international accounting practice. Preparing statements of cash flows for limited company for publication and interpret the results. Identify the principles of consolidated statements of cash flow. Recognise group cash flow formats in line with international accounting practice. Prepare statements of cash flows for limited company for publication and interpret the results. Solve problems that include adjustments to group cash flow statements such as non-controlling interests and associates. Discuss the effects of acquisitions or disposals on the group cash flow statement. Prepare group cash flow statements given final accounts and notes and interpret the results.
- **Limited company financial statements for publication:** Recognise formats in line with the relevant legislation and accounting standards. Prepare final accounts for limited company accounts for publication that includes applications of accounting standards. Explain the regulatory requirements of preparing published accounts including those in the companies' acts and in international accounting standards. Prepare final accounts for companies with adjustments to the accounts for publication. Preparing final accounts for limited company accounts for publication that includes applications of accounting standards. All standards covered previously in ABSA 203 and ABSA 204 as well as in ABSA 307 could be applied in a limited company accounts question. These include amongst others standards in: tangible assets, intangible assets, inventories, provisions, contingencies, leases and impairment of assets. Interpret the financial performance and financial position of a published limited company based on its financial statements. Discuss the limitation of financial statements.
- **Associates and joint ventures:** Discuss the theory and practice of double entry bookkeeping as applied to joint venture businesses and associates and recognise their accounting treatment in the group accounts. Apply the accounting treatment of associates and joint ventures to case study scenarios. Discuss the legislation and the relevant accounting standards concerning joint ventures. Prepare ledger entries for participants in joint

	<p>venture businesses where the joint venture does not have separate books.</p> <ul style="list-style-type: none"> <li>• <b>Accounting for Investments:</b> Discuss the theory and practice of double entry bookkeeping as applied to investments with their effect on the statement of financial position. Prepare the relevant ledger entries and journals concerned with investment in securities and the returns on these investments (e.g. dividends, interest). Prepare extracts concerning investments for the statement of profit and statement of financial position.</li> <li>• <b>Accounting for reorganisation schemes:</b> Examine the legislation and accounting practice concerning capital reorganisation schemes. Prepare the ledger and journal entries concerning the implementation of a capital reduction scheme (or capital reorganisation). Prepare the revised statement of financial position and interpret the results.</li> </ul>
<p>Teaching Methodology</p>	<p>The taught part of course is delivered to the students by means of lectures, conducted with the help of computer presentations. Lecture notes and presentations are available through the web for students to use in combination with the textbooks.</p> <p>Lectures are supplemented with class exercises carried out in class and via homework. Class exercises for homework are submitted on the e-learning platform for students to attempt and the solutions are posting on the platform at a later date (around one week).</p>
<p>Bibliography</p>	<p><u>Textbooks:</u> Kaplan Publishing, ACCA Financial Reporting (FR) Study Text, Latest Edition, Kaplan Publishing.</p> <p><u>References:</u> Kaplan Publishing, ACCA Strategic Business Reporting (International and UK), Latest Edition, Kaplan Publishing. BPP, AIA Professional Level 2 - Paper 13: Financial Accounting 3, 2<sup>nd</sup> Edition (or latest), BPP Learning Materials, 2019. Andreas Georgiou (2018), The Cyprus Tourism Sector and its Investment Environment, Science Prospects, Issue 9 (108), 2018, pp. 202-208. Georgiou, A and P. Kontakos (2018), Investment Incentives and Attracting Foreign Direct Investments (FDI) – Evidence From Cyprus, Science and Business: Development Ways, Issue No. 3 (81), 2018, pp. 157-161.</p>

<p>Assessment</p>	<p><u>(a) Methods:</u> Students will be assessed with coursework that involves a group assignment (with a written report and presentation), a midterm test and a final exam. The course involves both explaining theoretical concepts and also solving numerical problems in financial accounting.</p> <p><u>(b) Criteria:</u> The assessment criteria can be generalised as follows concerning the area assessed:</p> <ul style="list-style-type: none"> <li>• 86% or more – Excellent application of problem solving skills.</li> <li>• 76%-85% - Very good application of problem solving skills.</li> <li>• 66%-75% - Good application of problem solving skills.</li> <li>• 56%-65% - Satisfactory with some success in applying problem solving skills</li> <li>• 50%-55% -Satisfactory with limited success in applying problem solving skills</li> <li>• Below 50% -Little or no application of problem solving skills.</li> </ul> <p><u>(c) Weights:</u></p> <ul style="list-style-type: none"> <li>• Group Assignment            20%</li> <li>• Mid-term test                 20%</li> <li>• Final exam                     60%</li> </ul>
<p>Language</p>	<p>English.</p>