

University of the Punjab
Course outline

Associated Degree in Commerce (Specialization in Accounting & Finance)

Semester	3		
Course Name	Financial Reporting		
Course Code	ADC 401		
Credit Hours	4		
Prerequisites	The participants should be well versed with the conventions and the principles of the accounting. They must be proficient with ledger accounting and the mechanics of general purpose accounting statements.		
Follow Up	If any required		
Subject Objective	<ul style="list-style-type: none"> • Discuss and apply a conceptual and regulatory frameworks for financial reporting • Account for transactions in accordance with International accounting standards • Analyse and interpret financial statements • Prepare and present financial statements for single entities and business combinations in accordance with International accounting standards 		
Teaching Strategies	e.g. i. Lectures ii. Handouts iii. Group discussions iv. Class-room presentations v. Projects and term paper vi. Quizzes vii. Case study, reading assignment		
Assessment Criteria	Mid-term		Final Examination
	(Assessment by respective College)		(Assessment by University of the Punjab)
	40 %		60 %
	Quizzes and Tests, Assignment and Presentations, Viva, Attendance, Class Participations and discipline etc.	Written Paper	Written Paper

Weekly Lecture Plan

Weeks	Topics Covered	Detail
1	Framework, IAS 1 & 8	<p>Describe what is meant by a conceptual framework of accounting.</p> <p>Discuss whether a conceptual framework is necessary and what an alternative system might be.</p> <p>Moreover</p> <p>a) Discuss what is meant by understandability in relation to the provision of financial information.</p> <p>b) Discuss what is meant by relevance and reliability and describe the qualities that enhance these characteristics.</p> <p>c) Discuss the importance of comparability to users of financial statements.</p>
2	IAS 16 & 23	<p>a) Define and compute the initial measurement of a non-current (including self-constructed and borrowing costs) asset.</p> <p>b) Identify subsequent expenditure that may be capitalized, distinguishing between capital and revenue items.</p> <p>c) Discuss the requirements of relevant accounting standards in relation to the revaluation of non-current assets.</p> <p>d) Account for revaluation and disposal gains and losses for non-current assets.</p> <p>Application of principles of capitalization of financial costs and debate on other alternatives</p>
3	IAS 40	<p>a) Discuss why the treatment of investment properties should differ from other properties.</p> <p>b) Apply the requirements of relevant accounting standards for investment property.</p>
4	IAS 38	<p>a) Discuss the nature and accounting treatment of internally generated and purchased intangibles.</p> <p>b) Distinguish between goodwill and other intangible assets.</p> <p>c) Describe the criteria for the initial recognition and measurement of intangible assets.</p> <p>d) Describe the subsequent accounting treatment, including the principle of impairment tests in relation to goodwill.</p> <p>e) Indicate why the value of purchase consideration for an investment may be less than the value of the acquired identifiable net assets and how the difference should be accounted for.</p> <p>f) Describe and apply the requirements of relevant accounting standards to research and development</p>

		expenditure.
5	IAS 36	<p>a) Define an impairment loss.</p> <p>b) Identify the circumstances that may indicate impairments to assets.</p> <p>c) Describe what is meant by a cash generating unit.</p> <p>d) State the basis on which impairment losses should be allocated, and allocate an impairment loss to the assets of a cash generating unit.</p>
6	IAS 2	Describe and apply the principles of inventory valuation.
7	IAS 7	Prepare, compare and interpret statement of cash flows
8	IFRS 5	<p>a) Discuss the importance of identifying and reporting the results of discontinued operations.</p> <p>b) Define and account for non-current assets held for sale and discontinued operations.</p> <p>c) Indicate the circumstances where separate disclosure of material items of income and expense is required.</p>
9	IAS 41	Initial recognition, measurement and disposal of agricultural assets and their reporting
10	IAS 18	Discuss revenue recognition issues; indicate when income and expense recognition should occur.
11	IAS 37	<p>a) Explain why an accounting standard on provisions is necessary.</p> <p>b) Distinguish between legal and constructive obligations.</p> <p>c) State when provisions may and may not be made and demonstrate how they should be accounted for.</p> <p>d) Explain how provisions should be measured.</p> <p>e) Define contingent assets and liabilities and describe their accounting treatment.</p> <p>f) Identify and account for:</p> <p>i) warranties/guarantees</p> <p>ii) onerous contracts</p> <p>iii) environmental and similar provisions</p> <p>iv) Provisions for future repairs or refurbishments.</p>
12	IFRS 9 & IAS 32	<p>a) Explain the need for an accounting standard on financial instruments.</p> <p>b) Define financial instruments in terms of financial assets and financial liabilities.</p> <p>c) Indicate for the following categories of financial instruments how they should be measured and how any gains and losses from subsequent measurement should be treated in the financial statements:</p> <p>i) amortized cost</p>

		<ul style="list-style-type: none"> ii) fair value (including option to classify equity instruments through other comprehensive income) d) Distinguish between debt and equity capital. e) Apply the requirements of relevant accounting standards to the issue and finance costs of: <ul style="list-style-type: none"> i) equity ii) redeemable preference shares and debt instruments with no conversion rights (principle of amortized cost) iii) convertible debt
13	IAS10	<p>Events after the reporting date</p> <ul style="list-style-type: none"> i) distinguish between and account for adjusting and non-adjusting events after the reporting date ii) Identify items requiring separate disclosure, including their accounting treatment and required disclosures
14	IAS 34	The understanding of the need of interim financial statements and its specific implementation issues
15	IAS 24	Indicate the effect that the related party relationship may have on the separate and the consolidated financial statements.
16	IAS 12	<ul style="list-style-type: none"> a) Account for current taxation in accordance with relevant accounting standards. b) Explain the effect of taxable temporary differences on accounting and taxable Profits. c) Compute and record deferred tax amounts in the financial statements.

Primary Recommended Book	Applying International Financial Reporting Standards by Ruth Picker
Additional Books	<p>1. IFRS Handbook By IFRSB</p> <p>2. Wiley IFRS 2016: Interpretation and Application of International Financial Reporting Standards (Wiley Regulatory Reporting)</p> <p>3. Financial Accounting: IFRS By <i>Jerry J. Weygandt, Paul D. Kimmel, and Donald E. Kieso,</i></p>