



**Level 6 Advanced Diploma in Corporate Financial Reporting (520) 159 Credits**






<b>Unit:</b> Advanced Financial Reporting	<b>Guided Learning Hours:</b> 300
<b>Exam Paper No.:</b> 1	<b>Number of Credits:</b> 30
<b>Prerequisites:</b> Knowledge of accounting.	<b>Corequisites:</b> A pass or higher in Diploma in Accounting & Finance or equivalence.
<p><b>Aim:</b> Financial reporting systems serve many purposes. They are used to inform both current and potential investors. The accounting numbers reported in the financial statements are used in contracting between shareholders, managers, creditors and others. Regulators use financial reports to make assessments of competitive conditions and financial strength. At various times, management makes financial reporting and/or transaction design decisions to obtain some objectives with these various user groups. The purpose of this unit is to examine and analyse the financial accounting model in order to obtain a better understanding of these decisions and their telltale signs in the financial reports. Skills acquired will enable learners to make assessments of the “quality of reported earnings” and to make comparative assessments of performance and risk. The analysis of contemporary accounting issues within theoretical frameworks such as agency theory and the context of the conceptual frameworks used in setting accounting standards. Reporting problems in particular industries and with particular types of assets and liabilities; cutting edge accounting issues and the deliberations of local and international accounting rule-making bodies; and proposals for the strengthening of external financial reporting. The unit uses authoritative professional pronouncements to examine advanced financial reporting issues; including pensions, taxes, interest rate swaps, derivative securities, international transactions, and international financial reporting.</p>	
<b>Required Materials:</b> Recommended Learning Resources.	<b>Supplementary Materials:</b> Lecture notes and tutor extra reading recommendations.
<b>Special Requirements:</b> The unit requires a combination of lectures, demonstrations and discussions.	
<p><b>Intended Learning Outcomes:</b></p> <p>1. Understand accounting, users of accounting information and elements of financial statements.</p> <p>2. Understand International Accounting Standard 16 Property, Plant and Equipment.</p>	<p><b>Assessment Criteria:</b></p> <p>1.1 Define account</p> <p>1.2 Describe users of accounting information</p> <p>1.3 Describe financial statements</p> <p>1.4 Outline elements of statement of Profit &amp; Loss and Other Comprehensive Income</p> <p>1.5 Outline elements of statement of Financial Position</p> <p>1.6 Outline the Financial Reporting Framework</p> <p>1.7 Explain the principles and concepts used in preparing financial statements</p> <p>1.8 Highlight financial statements qualitative aspects</p> <p>1.9 Describe measurement and recognition of assets in financial statements</p> <p>2.1 Define and classify property and plant &amp; equipment</p> <p>2.2 Describe initial measurement of Property, Plant and Equipment</p> <p>2.3 Explore subsequent cost of non-current assets</p> <p>2.4 Outline non-current assets subsequent measurement</p> <p>2.5 Define fair value</p> <p>2.6 Analyse the different depreciation methods</p>

<p>3. Understand carrying value and disposal of tangible non-current assets</p>	<p>2.7 Explore scenarios business use in choosing depreciation methods</p> <p>3.1 Define carrying value</p> <p>3.2 Calculate gain/loss on disposal</p> <p>3.3 Demonstrate journal entry recordings</p> <p>3.4 Explain the accounting treatment of gain/loss</p> <p>3.5 Define valuation</p> <p>3.6 Describe difference between gain on disposal and gain on revaluation</p>
<p>4. Understand financial instruments in accounting as outline in IAS 32 Disclosure and Presentation / IFRS Recognition and Measurement.</p>	<p>4.1 Define financial instruments</p> <p>4.2 Be able to provide financial instrument examples</p> <p>4.3 Identify recognition of financial instruments</p> <p>4.4 Describe financial instruments initial measurement</p> <p>4.5 Outline financial instruments classification and subsequent measurement</p> <p>4.6 Outline equity share measurement</p> <p>4.7 Describe compound financial instruments</p>
<p>5. Understand IFRS 15 Revenue Recognition contract of sale with customers' principle.</p>	<p>5.1 Describe revenue</p> <p>5.2 Explain income</p> <p>5.3 Analyse factors to be considered in recognising revenue</p> <p>5.4 Explore IFRS 15 recommended steps</p>
<p>6. Understand provisions contingent liabilities and contingent assets (IAS 37; the review of events after reporting date (IAS 10) and accounting policies, estimates and errors (IAS 8).</p>	<p>6.1 Define provisions and explore provision examples</p> <p>6.2 Outline measurement, recognition and presentation of provisions in financial statements</p> <p>6.3 Analyse recognition and presentation of contingent liabilities</p> <p>6.4 Explore recognition and presentation of contingent assets</p> <p>6.5 Define events after reporting period (IAS 10)</p> <p>6.6 Describe type of events and accounting treatment</p> <p>6.7 Explore changes in accounting estimates as addressed by IAS 8</p> <p>6.8 Define accounting policies</p> <p>6.9 Explore how policy changes are effected in the financial statements</p> <p>6.10 Outline how accounting policies are adopted</p> <p>6.11 Analyse how prior errors are dealt with</p>
<p>7. Understand the process of preparing financial accounts for publication and fundamental and enhanced characteristics of financial statements.</p>	<p>7.1 Assess the notion "not all income and expenses are reflected in Profit &amp; Loss"</p> <p>7.2 Explore information disclosed in Statement of Comprehensive Income</p> <p>7.3 Outline the Statement of Comprehensive Income presentation format</p>

	7.4	Prepare Statement of Comprehensive Income
	7.5	Describe Statement of Changes in Equity
	7.6	Explore information outlined in Statement of Changes in Equity
	7.7	Prepare Statement of Changes in Equity
	7.8	Prepare Statement of Financial Position
	7.9	Describe faithful representation and relevance
	7.10	Realise comparability, timeliness, verifiability and understand ability characteristics
8. Understand cash flow statements (IAS 7) classification activities using either direct or indirect methods.	8.1	Describe cash flow statement and its uses
	8.2	Be able to analyse cash receipts and payments
	8.3	Explore cash flow statement benefits
	8.4	Analyse cash flow statement elements and components
	8.5	Be able to prepare cash flow statements

**Methods of Evaluation:** A 3-hour written examination paper with five essay questions, each carrying 20 marks. Candidates are required to answer all questions. Candidates also undertake project/coursework in Advanced Financial Reporting with a weighting of 100%.

### Recommended Learning Resources: Advanced Financial Reporting

<b>Text Books</b>	<ul style="list-style-type: none"> <li>Advanced Financial Accounting (Paperback) by Richard Lewis (Author), David Pendrill. ISBN-10: 0273638335</li> <li>Financial Accounting and Reporting (Paperback) by Barry Elliott (Author), Jamie Elliott. ISBN-10: 0273685406</li> <li>Advanced Financial Accounting: An International Approach (Paperback) by Jagdish Kothari (Author), Elisabetta Barone. ISBN-10: 0273712748</li> </ul>
<b>Study Manuals</b> 	BCE produced study packs
<b>CD ROM</b> 	Power-point slides
<b>Software</b> 	None