International Accounting (IFRS) Syllabus:

Course code: International Financial Reporting Standards (IFRS) AUD3031 ACC2041E (also previously: ACC2072E)

3 Credits, English, Level: Advanced

Winter term: lecture from Friday, October 18th till Friday December 13th (fast track 4 semester hours per week)

Lecture Time: Friday 1:45 p.m. – 5:00 p.m.
First lecture: Friday, October 18th, 2019
Class room: W3.2.02
Final Exam: Friday, December 13th, 2019 at 1:45 p.m. – 60 minutes

Lecturer:

Prof. Dr. Marcus Scholz
Chartered Accountant | Certified Tax Advisor

Prof. Dr. Gerd Harter (guest lecturer)
Certified Tax Advisor

for details see University homepage www.hs-pforzheim.de search for: Scholz

Office hours: Friday, 9:00 a.m. and Friday 5:00 p.m. and on individual appointment
E-Mail: marcus.scholz@hs-pforzheim.de

Overview (catalogue description):

Accessibility and Credits:

- International Study Program eligible
- Bachelor-course “Steuer- und Revisionswesen” eligible
- Bachelor-course “Wirtschaftsrecht” eligible
- Bachelor-course “International Business” eligible

Irrespective of any student’s individual status, all students are subject to the same requirements for being graded or getting a certificate of participation (Teilnahmebestätigung).
Perspective for Students enrolled: Thesis

I am offering topics in international accounting for both, Bachelor and Master Theses. For this purpose, passing of that course with an acceptable grade is usually a prerequisite.

Prerequisites:

Familiarity with bookkeeping (knowing debits and credits) is a necessary prerequisite!!!

It is the individual student’s responsibility to get prepared to that basic level. In case you have to get acquainted with basic bookkeeping, I suggest reading:


In addition, in depthknowledge of national GAAP (e.g. German HGB) is a necessary prerequisite for the course.

Learning Objectives:

By the end of the course students

- have a general overview about IFRS dealing with:
  - Presentation of financial statements
  - Principles of disclosure
  - Inventories
  - Revenue recognition
  - Property, plant and equipment
  - Leases
  - Income taxes
  - Financial instruments
  - Provisions, contingent liabilities and contingent assets
  - Intangible assets
  - Business combinations

- have an understanding in applying and interpreting existing IFRS to real world accounting problems

Standards dealing with consolidation issues will not be covered since they will be dealt with in ACC5012.

Basic Outline, Teaching Concept and Grading

In a primarily interactive approach, the most important IFRS-rules will be dealt with in depth (i.e. including journal entries) to provide a thorough understanding of IFRS. The lectures are based on PowerPoint presentations which are revised term by term to be up to date with the ongoing changes of regulations and which will be available for download/print through the University’s Intranet (E-Learning Platform). In addition, practical examples are provided on blackboard.
Literature

a) Current Text

*It is absolutely essential that students work with the current IFRS text (and take them to the classroom)!*

There are several opportunities to get the IFRS text, among others:

- Lending the IFRS text in the Universities library
- IFRS Bound Volume 2019, 2018 or 2017 (Standards effective as of January 2017); 79,44 €
- IFRS 2019, 2018 or 2017, English – translation in any other language (Standards in the versions approved by the European Union),

For Information regarding current developments see [http://www.iasb.org/](http://www.iasb.org/)

b) Textbooks (not necessarily required)

**Alfredson, Keith et al.**: Applying International Financial Reporting Standards, Sydney (Wiley)

**Mackenzie, Bruce et al.**: IFRS – Interpretation and Application of International Accounting Standards, New York (Wiley)

and for a more general introduction into comparative accounting:

**Frederick D. S. Choi, Gary K. Meek**, International Accounting (International Edition), Pearson Education, Upper Saddle River, NJ, USA

Student responsibilities and class behaviour

- Respect each other
- Take responsibility for your action
- Be fair
- Act with honesty
- Trust each other
- Demonstrate civility
- Read the course syllabus
- Arrive to class on time and do not leave early
- Demonstrate and respect divergent opinions
Motivation for Studying IFRS and Background

Differing national traditions and experiences led to the development of alternative financial reporting models (e.g., the Anglo-Saxon, especially US-GAAP, tradition vs. the European-continental tradition). The growing importance of multinational companies and the integration of capital markets resulted in increasing demands for the international harmonization of accounting practices. Divergences in accounting treatments across countries, and therefore a lack of comparability of financial statements, have been identified as major impediments and sources of comparative disadvantage especially for listed companies.

Already starting in 1973, representatives of professional accounting bodies founded the International Accounting Standards Committee (IASC) which engaged in a standard-setting program to provide internationally accepted accounting standards. By advocating decision-usefulness for investors and promoting comparability, this set of standards, the International Accounting Standards (IAS), gained increased worldwide recognition. To further promote the development of International Accounting Standards, the organizational structure was changed in 2000. The standard-setting now principally rests with the International Accounting Standards Board (IASB). New standards endorsed by the Board will be issued as International Financial Reporting Standards (IFRS) while existing IAS will stay in place until eventually replaced or revised.

The growing importance of IFRS is documented especially by

- the IFRS functioning as “blueprints” for national accounting setters, and
- the acceptance of IFRS as national accounting standards in several countries worldwide.

However, the major breakthrough for IFRS has been achieved by the European Union’s acceptance of IFRS, thereby abandoning the EU’s long-standing goal of developing unique European accounting standards. This new policy was first formulated by the European Commission in a policy document entitled “EU Financial Reporting Strategy: The Way forward” in June 2000. With minor changes the policy was finally enacted by the Council and European Parliament in autumn 2002. It resulted in an obligation for companies which have listed securities outstanding to issue consolidated financial statements under IFRS only, beginning with the financial years starting at or after January 1, 2005. Furthermore, national governments may require IFRS for consolidated financial statements in general and even entity accounts. Other countries outside the EU followed this path (e.g. Australia, New Zealand, India and Russia).

As a result of the aforementioned developments a thorough understanding of IFRS is required. With national GAAPs already obsolete or becoming obsolete at least for consolidated financial statements of listed companies, accountants and financial analysts with a firm background in IFRS will certainly be in high demand in the years to come.

However, students should be given a warning: IFRS is currently more rapidly changing than even the German tax law! Therefore, students of IFRS should not just “know” the Standards, they must get a feeling of how the Standards are working and how the Standard Setter is looking to its Standards. Thus, nobody should stubbornly get acquainted just with “the rules”, keep up your mind to get a deeper understanding.