

# **Foundations in Financial Accounting (ACC5061)**

## **Syllabus**

### **Winter Term 2022/23**

<b>Begin:</b>	<b>October 6, 2022</b>
<b>End:</b>	<b>November 24, 2022</b>
<b>Times &amp; Location:</b>	<b>Tuesday, 11.30 – 13.00 h in W4.1.06</b> <b>Thursday, 8.00 – 9.30 h in W4.1.06</b>
	Exception: There will be <b>no lecture on November 1 (public holiday) and November 22 (excursion)</b>
<b>ECTS-Credits:</b>	5 (together with GMT5214 Corporate Finance and Financial Analysis)
<b>SWS:</b>	2 (30 contact hours; in total 60 contact hours for complete module)
<b>Self-Study:</b>	90 h for complete module (ACC5061 and GMT5214)
<b>Level:</b>	Advanced Level II
<b>Prerequisites:</b>	-
<b>Accessibility:</b>	Course is compulsory for 1 <sup>st</sup> semester MBA-IM students and is open to international guest students on MBA-level

#### **Online Teaching:**

The course will be held on campus. If changes are necessary due to the pandemic, it will be announced separately. If the course is switched to online or hybrid, please install alfaview from [www.alfaview.com](http://www.alfaview.com) and follow the link:

<https://app.alfaview.com/#/join/alfaview-wur/4f6bfbc8-8587-45c4-b267-2efc205b926e/22c96304-887c-41bd-8e7b-840744ee31c3>

#### **Support of virtual team work:**

Learning groups help to understand the complex topics. In case you want to work in a virtual group, you can use the subgroups of my internet office (link see above) on a “first-come-first-serve”-Basis.

#### **Learning objectives:**

By the end of the course, the participants shall be capable of...

- ...recognizing the content and nature of financial statement information,

- ...understanding the way in which financial statement information is produced and used conventionally,
- ...preparing balance sheets, income and cash flow statements and statements of retained earnings and
- ...critically analyzing and evaluating the use of financial statement information.

#### **Main course topics:**

- Introduction to Financial Accounting
- Core Elements of Financial Statements
- Concept and Framework of the IASB
- Recording Transactions
- Preparing Balance Sheet and Income Statement
  - Reporting and Analysing Inventories
  - Accounting for Sales and Receivables
  - Depreciation of Long-Lived Assets
  - Reporting and Analysing Liabilities and Provisions
- Preparing Cash Flow Statement and the Statement of Retained Earnings
- Performance Measurement
- Accounting Policy

#### **Course contributions to the MBA program goals / learning outcomes**

Goal	Course Contributions to Goal	Assessment
<b>1 Responsible leadership in organizational contexts</b>	KPI-based analysis of consolidated financial statements	- Discussion in class - Written exam
<b>2 Creative problem solving skills in a complex business environment</b>	Critical analysis, preparation and evaluation of financial statements	- Discussion in class - Written exam
<b>3 Research Skills</b>		
<b>4 Management of Innovation</b>		
<b>5 Management of the challenges of global sustainability and awareness for social and corporate responsibilities</b>	Ethical conflicts resulting of maximizing shareholder value and "window dressing"	- Discussion in class - Written exam

#### **Basic outline and organization:**

The course gives an introduction into the world of accounting and financial reporting, by explaining how to distinguish and to understand the different financial statements, how to account for a number of transactions that are frequently occurring in companies and how to

prepare financial statements. Basic outline of this lecture is to learn and understand the technique and the rules of preparing balance sheet and income statement.

In the course of the lecture, financial statements of several large companies will be analysed in order to give an understanding of the topic in real business life.

### **Grading:**

GMT5214 Corporate Finance and Financial Analysis and ACC5061 Foundations in Financial Accounting are graded together (module grade).

The grading is based upon:

- 2 written assignments in ACC5061, each weighted with 15 % of the total grade.
- 1 written exam in GMT 5214 of 90 minutes, weighted with 70 % of the total grade. The exam will cover the complete course GMT5214 and the chapters 6 and 7 of ACC5061.

### **Assignments:**

- The assignments are distributed via moodle as data file and contain several exercises covering the topics taught up to this date.
- The distribution will be on Thursday, the assignment is due on the second session in the following week (beginning of class); if you participate in class, please hand it to the lecturer; if you participate online, please scan the pages and send them to Robert.nothhelfer@hs-pforzheim.de
- All exercises of the assignment have to be completed. There are no optional parts.
- The assignment has to be prepared individually by each student.
- The solution has to be handwritten and on paper (either on a printout of the document with the exercises or on clearly named and labelled additional sheets); if you participate online, please scan your solution and send the file to the lecturer (see above).

### **Course materials:**

- Horngren, Charles T./Sundem, Gary L./Elliot, John A./Philbrick, Donna R. (2015): Introduction to Financial Accounting, 11<sup>th</sup> Edition, ISBN 978-0-133-25111-1
- Weygandt, Jerry J./Kimmel, Paul D./Kieso, Donald E. (2015): Financial Accounting, IFRS Edition, 3<sup>rd</sup> Edition, ISBN 978-1-118-97808-5

### **Availability of the lecturer:**

Prof. Dr. Robert Nothhelfer

Office hours: Tuesday, 13:45 – 15:15 h in W2.4.15

Email: robert.nothhelfer@hs-pforzheim.de

### Preliminary schedule for ACC5061 – Foundations in Financial Accounting

October 06/11	Introduction to Financial Accounting, Core Elements of Financial Statements Concept and Framework of the IASB
October 13/18	Recording Transactions I: Steps in the Recording Process, Debit/Credit Rules Case Study 1
October 20/25	Recording Transactions II: Journal, Accounts, Ledger, (Trial) Balance and T-Accounting Case Study 2
October 27/ November 3	Accounting for Purchases and Sales, Inventories and Cost of Goods Sold
	<b>Assignment 1:</b> Due on November 3 (distribution on October 27)
November 08/10	Depreciation of Non-Current Assets Measurement of Receivables, Accruals & Deferrals, Provisions Case Study 3
November 15/17/24	Income Statement, Cash Flow Statement Accounting Policy
	<b>Assignment 2:</b> Due on November 24 (distribution on November 17)