

# Accounting I: International Financial Reporting Standards (ACC5011E)

## Syllabus

### Winter Semester 2023/24

<b>Level:</b>	Master	
<b>ECTS-Credits:</b>	6	
<b>Student Contact Hours:</b>	4 units with 45 minutes each (blocked before Christmas)	
<b>Workload</b>	180h – 60 hours within class, 120 for self-study and groupwork	
<b>Prerequisites:</b>	None. Sound knowledge of financial accounting in the student's respective national GAAPs, including bookkeeping is strongly recommended.	
<b>Time:</b>	<u>Mondays</u> , 1:45 p.m. – 3:15 p.m. and <u>Tuesdays</u> , 3:30 p.m. – 6:45 p.m.	
<b>Rooms:</b>	<u>Mondays</u> : W2.3.15 <u>Tuesdays</u> : W1.3.05 <b>Eventual online lectures: See link to virtual office below</b>	
<b>Start date:</b>	Tuesday (!), October 10, 2023	
<b>Written Exam:</b>	Tuesday, December 19, 3:30 p.m.	
<b>Accessibility:</b>	The course is offered to students of <ul style="list-style-type: none"><li>• <u>Master of Science Controlling, Finance and Accounting</u>: compulsory</li><li>• <u>MBA International Management</u>: elective</li><li>• <u>International Master Exchange Program (IMEP)</u>: elective</li></ul>	
<b>Lecturer</b>	<b>Name</b>	Prof. Dr. Matthias Kropp
	<b>Office</b>	W2.1.20
	<b>Virtual Office</b>	<a href="#">Link to alfaview</a>
	<b>Office Hours</b>	Thursday, 1:15 p.m.-2:45 pm. and on appointment (also online available)
	<b>E-mail</b>	matthias.kropp@hs-pforzheim.de

**Course contributions to the Master of Arts Controlling, Finance and Accounting  
program goals / learning outcomes**

Program Goal/ Learning Outcome	Program Subgoal	Course Contribution	Assessment Methods	
			Project Work	Written Exam
			25%	75%
			Collective	Individual
<b>I. Extending and consolidating knowledge with a view to theoretical concepts and practical applications in controlling, finance and accounting.</b>				
	1. MACFA master's graduates are familiar with models, concepts, standards and applications of controlling, finance and accounting that go beyond previously acquired bachelor knowledge.	Students will be familiar with concepts, standards and application of IFRS-reporting beyond previously acquired bachelor knowledge		X
	2. They are able to identify appropriate approaches for theoretical or practical problems in controlling, finance and accounting, to assess them with regard to their relevance and examine them critically.	Application of investment techniques to selected areas in IFRS	X	X
	3. On this basis, they are able to define theoretical/practical tasks/research questions in the areas referred to, clearly formulate objectives to address these questions and structure the solution process to achieve the objectives.	-		
<b>II. Systemic, analytical and instrumental/conceptual competences for solving theoretical and/or practical problems in controlling, finance and accounting.</b>				
	1. MACFA master's graduates are able to understand the complexity of specific scientific and/or practical problems in controlling, finance and accounting by applying appropriate models and concepts that are in compliance with predefined standards.	Students are trained especially in recognizing the ambiguities of current IFRS standards.	X	X
	2. Graduates are able to analyse these using scientifically well-founded methods.	Students solve case studies in teams on applied issues of IFRS.	X	
	3. Using the results of the analysis, graduates are able to develop independent, creative and reflected recommendations/results/answers to specific research questions and complex practical problems that are well substantiated with empirical and/or theoretical evidence.	-		
<b>III. Communicative and social skills to convince third parties of developed approaches.</b>				
	1. MACFA master's graduates are able to impart independently developed approaches to third parties in a distinct, concise and stylistically appropriate manner.	Students solve case studies in teams on applied issues of IFRS.	X	
	2. In the course of this they take into account the appropriate formal standards for scientific solution concepts.	-		
	3. Graduates debate in a convincing manner by presenting their approaches in a way that is reasonable, differentiated and sufficiently documented.	-		

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**Basic outline, organization and teaching philosophy:**

The course provides a thorough introduction into the accounting under International Financial Reporting Standards (IFRS), formerly known as International Accounting Standards (IAS). Standards dealing with consolidation issues (IAS 27, 28, 31; IFRS 10, 11, 12) will not be covered since for MACFA students these issues will be dealt with in a subsequent module. Certain other standards will not be dealt with due to time constraints, e.g. IAS 20 Government Grants, IAS 33 Earnings per Share.

In a primarily lecture-style approach, the most important IFRS-rules will be covered 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 ongoing changes and are available for download/print through the University's eLearning platform "[Moodle](#)". In addition, practical examples are provided on blackboard. Lectures will contribute approx. 4 contact hours to the workload.

The lectures are amended by **project work on a set of case studies and/or contributions in literature** which will be assigned to groups of 4-6 students, ensuring a continuous involvement of each participant into the topics dealt with in the lecture. These assignments also relax the workload for the immediate preparation of the final exam. The group assignments are to be handed in and will be graded.

**Grading:**

The grading is based upon the quality of the written examination (75%) and the quality of the solutions of the 2-3 assignments (25%). Inactivity in class may lead to a downgrade in your final overall grading. Please note: An achievement of less than 40% in the written examination cannot be offset by the assignment and leads to an overall grade of 5,0.

**Course Materials:**

**a) Lecture Slides**

Lecture slides are available through Moodle. Please note, that for most slides they will be still readable if you print out several slides (2 or 4) per page. Thus, save money on printing and contribute to the environment.

**a) Current Text**

IFRS 2023, English – German (Standards in the versions approved by the European Union), Wiley Text (Amazon: € 29,99)

**b) Textbook**

Kieso, Don / Weygandt, Jerry / Warfield, Terry (2020): Intermediate Accounting IFRS: IFRS Edition, Wiley, 4<sup>th</sup> edition 2020, I ISBN-10: 1119607515; ISBN-13: 978-1119607519

For Information regarding current developments see <https://www.ifrs.org/>, for further literature see the IASB resources page.

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

See front page.

I do care about your learning. Therefore, do not hesitate to contact me if you have any questions/problems with your learning or with the course. The longer you wait the fewer options I will have to help you.

### **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 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 of the IASC was changed in 2000. The standard-setting now principally rests with the International Accounting Standards Board (IASB). New standards endorsed by the Board are 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 (e.g. in several states of the former Soviet Union and former Yugoslavia).

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). In addition, the U.S. FASB and the IASB are working on converging these two sets of accounting standards (Norwalk-Agreement). Currently, more than 100 countries worldwide do employ IFRS.

As a result of the aforementioned developments, nowadays a thorough understanding of IFRS is required. With national GAAPs already 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 are sometimes more rapidly changing than even 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.

### ACC5011: Main Course Topics and Indicative Time Schedule

#	Lecture Date	Class Topic	Textbook
1+2	Tue, Oct. 10	Preliminaries/Organization/General Course Information I. Introduction II. Financial Statements and Notes and Interim Reporting	Ch. 1 Ch. 4, 5, 24
3	Mon, Oct. 16	II. Financial Statements and Notes and Interim Reporting (ctd.)	Ch. 4, 5, 24
4+5	Tue, Oct. 17	III. Operating Segments	
	Mo, Oct. 23 Tue, Oct. 24	No lecture because of "Research Methodology"	
6	Mon, Oct. 30	IV. Measurement Concepts – An Overview V. Events after the Reporting Period, Changes in Accounting Policies, Estimates and Errors	CH. 4, 22
7+8	Tue, Oct. 31	VI. Revenue Recognition	Ch. 18
9	Mon, Nov. 6	VI. Revenue Recognition (ctd.)	
10+11	Tue, Nov. 7	VII. Property, Plant Equipment VIII. Investment Property	Ch. 10+11
12	Mon, Nov. 13	IX. Intangible Assets	Ch. 12
13+14	Tue, Nov. 14	X. Leases (Lessee) XI. Impairment of Assets	Ch. 21 Ch. 11
15	Mon, Nov. 20	XI. Impairment of Assets (ctd.) XII. Non-current Assets held for Sale and Discontinuing Operations	
	Tue, Nov. 21	No lecture due to different obligation	
16	Mon, Nov. 27	XIII. Inventories XIV. Provisions	Ch. 8+9 Ch. 13
17+18	Tue, Nov. 28	XV. Employee Benefits (esp. Pensions) XVI. Income Taxes	Ch. 20 Ch. 19
19	Mon, Dec. 4	XVII. Effects of Foreign Exchange Rates	
20+21	Tue, Dec. 5	IXX. Equity	Ch. 15
22	Mo, Dec. 11	XVIII. Financial Instruments Accounting – Fundamentals	Ch. 14+17
23+24	Tue, Dec. 12	XVIII. Financial Instruments Accounting – Fundamentals (ctd.) Reserve	
25	Mon, Dec. 18	Reserve/Final Wrap-up	
26	Additional lecture mutually to be agreed upon, eventually online		
27	Tue, Dec. 19	Final Exam: 3:30 p.m.	