



# **Intermediate Financial Accounting (ACC-221)**

**National University of Sciences & Technology**

## Course Details

Course Title: Intermediate Financial Accounting

Course Code: ACC-221

BS – Fall 2015

Prerequisite: ACC-111

Credit Hours: 3

## Course Description

This course is designed to broaden the knowledge base of basic accounting acquired in earlier modules with emphasis on International Financial Reporting Standards. This is to enable students to interpret the principles outlined in the IFRSs in different situations. Students will learn techniques to become competent users of detailed accounting data and to fully integrate their understanding of more advanced transactions. They will learn the importance and purpose of Cash Flow Statements and develop skills to prepare these Statements. The purpose of this course is also to prepare students for Professional Accounting Exams e.g. CA/ACCA and as such a thorough treatment of various other important Accounting Topics such as Inventories, Property , Plant and Equipment, Revenue Recognition, Intangibles etc and Preparation of Financial Statements in the light of IFRS. After learning to prepare various Financial Statements, students will be given the tools to evaluate these Financial Statement data through the use of various Financial Ratios.

## Course Objectives

The main objectives of the course are:

- To introduce students to the world of IFRSs
- To provide a basic understanding of the application of selective IFRSs
- To enable students to prepare financial statements in the light of those IASs and IFRSs covered at this stage
- To enable students to read and interpret published financial statements

## Learning Outcomes

By the end of the course you would be able to,

- prepare simple financial statements in accordance with the relevant law of Pakistan i.e. Companies Ordinance 1984 and in compliance with the reporting requirement of the international pronouncements
- account for transactions relating to tangible and intangible assets including transactions relating to their financing matters
- understand the implication of contingencies; changes in accounting policies and estimates; errors and events occurring after reporting period
- apply financial analysis on given financial and non-financial information
- understand simple group structures and their financial reporting

## Required Course Material

The required text(s) for this course include:

### Course material with SBS

#### Study texts and revision kits

ACCA – F7 by Kaplan

ICAP CAF–05, CAF – 07 by Emile Woolf

### International Financial Reporting Standards (IFRSs)

#### Gripping IFRS

## Course Evaluation (Grade Breakup)

The course is laid out with the following process in mind:

- Review the relevant chapters assigned for a topic before class
- Participate in the class discussion
- Set aside at least as much time out of class as in class each week for study
- Complete the homework assignment

Following criteria will be used in evaluation and assessment of grades:

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|------------------------|-----|
| Quizzes                | 15% |
| Individual assignments | 15% |
| Mid-Term Exam          | 25% |
| Final Exam             | 45% |

### Course Content (Weekly)

Weekly breakdown is given below. Methodology shall be discussion of relevant standard and practice questions for each major concept done.

| Week | Lecture Topic  |
|------|--|
| 1    | Introduction to Intermediate Financial Accounting<br>Introduction to International Financial Reporting Standards (IFRSs)<br>Definitions, Recognition, Measurement and Disclosures of all relevant standards          |
| 2-3  | <b>Cash flow statements (IAS – 7)</b><br>Introduction and format<br>Significance of cash flow statement<br>Direct method<br>Indirect method – Adjustments for working capital<br>Cash flow from financing activities |

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|     | Cash flow from investing activities  |
| 4   | <b>Inventories (IAS – 2)</b><br>Initial Measurement<br>Subsequent Measurement (FIFO and weighted average methods)<br>Valuation – NRV test<br>Finding out the inventory at a certain date<br>Disclosure                     |
| 5-6 | <b>Property, plant and equipment (IAS -16)</b><br>Models (Cost and revaluation)<br>Methods of depreciation (Straight line and diminishing)<br>Disclosure   |
| 7   | <b>Borrowing cost (IAS – 23)</b><br>Specific borrowing<br>General borrowing<br>Income on investment of surplus funds<br>Commencement of capitalization<br>Suspension of capitalization<br>Cessation of capitalization      |
| 8   | <b>Intangibles (IAS – 38)</b><br>Internally generated intangible assets<br>Research and development<br>Intangible assets acquired in a business combination<br>Models (Cost and revaluation)<br>Amortization<br>Disclosure |

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|-------------------|--|
|                   |  |
| <b>Mid terms</b>  |  |
| 9                 | <b>Revenue recognition - IAS 18</b>  |
| 10-11             | <b>Events after the reporting period - IAS 10</b><br><b>Provisions, contingent liabilities and assets - IAS 37</b><br>Recognition, measurement, double entry and disclosure<br><b>Accounting Policies, Changes in Accounting Estimates and Error IAS – 8</b> |
| 12                | <b>Microsoft – Financial reporting strategy – case study</b>   |
| 13-14             | <b>Partnership accounts</b><br><b>Introduction to consolidation</b>  |
| 15-16             | <b>Interpretation of financial statements</b>  |
| <b>Final Exam</b> |  |