

## 27317 - Financial Statements

### Información del Plan Docente

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| <b>Academic Year</b>    | 2018/19  |
| <b>Subject</b>          | 27317 - Financial Statements   |
| <b>Faculty / School</b> | 109 - Facultad de Economía y Empresa<br>228 - Facultad de Empresa y Gestión Pública<br>301 - Facultad de Ciencias Sociales y Humanas                                       |
| <b>Degree</b>           | 454 - Degree in Business Administration and Management<br>448 - Degree in Business Administration and Management<br>458 - Degree in Business Administration and Management |
| <b>ECTS</b>             | 6.0  |
| <b>Year</b>             | 2  |
| <b>Semester</b>         | Second semester  |
| <b>Subject Type</b>     | Compulsory   |
| <b>Module</b>           | ---  |

### **1.General information**

#### **1.1.Aims of the course**

The course and the expected results correspond to the following approaches and general objectives:

1. To study the objectives of business accounting reporting.
2. To know the basic contents of business reporting within the Spanish regulation framework.
3. To know the structure of disclosure of annual accounts and other reports used by companies.
4. To learn to draw up financial statements.
5. To interpret correctly the meaning of the different magnitudes that arise in the financial statements.

#### **1.2.Context and importance of this course in the degree**

The course "Financial Statements" is taught during the second semester of the second year of the degree in Business Administration. The students of this degree have completed two six-month accounting courses (Financial Accounting I and II). Thus, when they start Financial Statements, they know and dominate accounting technique and the recognition and valuation criteria contained in the Spanish regulation.

In this context, the course Financial Statements completes the students' knowledge of the process of the elaboration of business accounting reporting, given that its main objective is to study the way in which companies must present their accounting information to third parties, once the economic facts have been adequately registered and assessed. Furthermore, this course allows the student to correctly interpret data registered in the financial statements.

#### **1.3.Recommendations to take this course**

Given that this is a compulsory subject taught in the second year, there are no prerequisites for taking this course except those necessary for enrolment in the Degree in Business Administration. Nevertheless, it would be advisable to have acquired the knowledge and skills studied in Financial Accounting I and Financial Accounting II in the first year of the degree.

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Students are advised to attend the scheduled theoretical and practical classes, to carry out the proposed cases, tasks and autonomous work.

### 2.Learning goals

#### 2.1.Competences

- To elaborate and to write comprehensive management projects for companies and other entities
- To understand and to apply professional criteria with scientific rigor to solve economic, business and organizational problems.
- To use technological tools and instruments required for professional performance.
- To apply knowledge in practice

#### 2.2.Learning goals

On completing the course, the student will have achieved the following outcomes:

1. To be able to apply the requirements of commercial and accounting regulation regarding the elaboration and disclosure of financial-accounting reporting by companies.
2. To be able to design and to present the reporting structure of the annual accounts and other reports used by companies.
3. To be able to implement the principles required by Spanish law when preparing the annual accounts.
4. To be able to describe and differentiate the meaning of the different items that are included in each annual account from the perspective of the evaluation of the economic-financial situation of the company

#### 2.3.Importance of learning goals

The learning outcomes of the course Financial Statements are relevant because

- They complete the process of the elaboration of accounting reporting started in previous courses.
- They justify the aim and meaning of business accounting reporting.
- They reveal how preparers of business accounting reporting should present it.
- They illustrate how an external user of business reporting can obtain it.
- They explain the meaning of the different accounting magnitudes that conform financial statements, in general, and the annual accounts, in particular.

All the above is particularly important because most graduates will carry out their professional activity in areas where they will be obliged to work with financial statements elaborated in accordance with the criteria explained in this course, as preparers of these financial statements or as external users of the information contained within them.

### 3.Assessment (1st and 2nd call)

#### 3.1.Assessment tasks (description of tasks, marking system and assessment criteria)

The student will prove that he/she has achieved the expected learning outcomes by means of the following assessment tasks.

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For the **JUNE EXAM**, two evaluation systems are available:

### A) CONTINUOUS ASSESSMENT

The student must take two individual writing exams and carry out a group task in a group during the semester:

- **FIRST WRITTEN EXAM:** this) will deal with the contents of lessons 1 to 3 of the programme, and will be taken after lesson 3 has been concluded. This exam will consist of theoretical and practical questions and it will weight 40% of final mark.

- **SECOND WRITTEN EXAM:** this will deal with the contents of lessons 4 to 8 of the programme, and will be taken after lesson 8 has been concluded. This exam will consist of theoretical and practical questions and it will weight 40% of the final mark.

- **GROUP TASK:** linked with the study of the real disclosure of accounting reporting, the students should apply the knowledge acquired in weekly theoretical and practical classes to the financial statements of a real company. Periodically, the students will have to report on their progress on the dates assigned and present a comprehensive report at the end of the semester. This task will weight 20% of the final mark.

To participate in the continuous assessment, the student must give in and discuss in class a minimum of 70% of the proposed activities.

In each written exam and in the group task, students should get a minimum mark of 4 out of 10, besides the average mark of the written exams should be equal or greater than 5 out of 10. In order to pass the subject, the final weighted mark of the written exam and the group task should be equal to or greater than 5 out of 10.

### B) GLOBAL ASSESSMENT SYSTEM

The student that does not choose the continuous assessment system, does not pass the subject in the continuous assessment system, or wants to improve his/her mark, will be entitled to sit the global exam, prevailing, in all cases, the best mark.

The global assessment consists of a written exam and, if the student so desires, a group task.

- **WRITTEN EXAM:** to be taken on the dates fixed by the faculty in the calendar of exams, this will consist of theoretical questions and practical cases. Theoretical questions can be closed questions (multiple choice questions) or open-ended questions, and the student must prove that he/she has assimilated and understood the basic concepts of this course. Practical cases will be similar to those solved in the practical sessions of the course.

- **GROUP TASK:** linked with the study of the real disclosure of accounting reporting, the students should apply the knowledge acquired in weekly theoretical and practical classes to the financial statements of a real company. Periodically, the students will have to report on their progress and present a comprehensive report at the end of the semester.

Given that, during the academic year, the group task is subject to monitoring and evaluation, each member of the group is required to give in and discuss in class a minimum of 70% of the proposed activities (cases and exercises) for the group task mark to be included in the global assessment. If, in a group, any of the members do not attain that percentage, the

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group task will be only considered for the students that obtain that percentage.

For students that carry out the group task, the weight of the written exam in the final mark is 80%, and the remaining 20% corresponds to the group task.

To pass the subject with global assessment system, the mark of the written exam should be equal to or greater than 5 out of 10, and the group task mark should be equal or greater than 4 out of 10. The final weighted mark of the written exam and the group task should be equal to or greater than 5 out of 10. If the resulting mark obtained by the student using the weights above is less than the mark obtained in the written exam, the final mark of the course will be the latter.

For students that do not carry out the group task, the mark will be the mark obtained in the written exam.

In the **SEPTEMBER EXAM** the assessment will be carried out following the GLOBAL ASSESSMENT SYSTEM. If the students have carried out the group task during the semester, it will also be taken into account for the assessment of the September exam.

### 4. Methodology, learning tasks, syllabus and resources

#### 4.1. Methodological overview

The methodology followed in this course is oriented towards the achievement of the learning objectives. A wide range of teaching and learning tasks are implemented, such as lectures and practice sessions.

#### 4.2. Learning tasks

This course is organized as follows:

- **Lectures** (30 hours). Weekly two-hours sessions. Lectures will involve the description and explanation of basic concepts referring to the disclosure of accounting reporting by companies, in particular, dealing with the content of the annual accounts. In these lectures, the participation of students will be essential to discuss the main concepts analysed in each session. Students will have access to the recommended bibliography for each topic and they are expected to study them before attending to the corresponding lecture.
- **Practice sessions** (30 hours). One weekly session. There will be two types of problems and case studies. Some of them will be designed to consolidate and to help in the understanding of the most relevant issues explained in the lectures. Others will deal with real business information, working with annual reports of companies that are publicly traded for easy access to the information. Some problems and cases will be done individually and other cases will be solved by groups of 2-3 people using the methodology of the cooperative learning. Some of these cases solved in groups will have to be presented to the other class members during sessions.
- **Autonomous work and study** (90 hours). 30 reading hours and personal reflection about the syllabus of the course or the bibliography, 30 hours to complete the group assignments and 30 hours to do individual exercises, participating in learning platforms and tutorials.

#### 4.3. Syllabus

This course will address the following topics:

##### Section I.

In this section, the student will learn the requirements of the accounting and commercial regulation about the elaborating and issuing of financial-accounting reporting by companies.

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- **Topic 1. Financial reporting**

1. Financial reporting. Main characteristics.
2. Classification of financial reporting.
3. The financial reporting (annual accounts).

### Section II.

In this section the student can learn the structure of the annual accounts, apply the Spanish requirements to elaborate the annual accounts and understand the meaning of the different items that conform each of them.

- **Topic 2. The balance sheet**

1. The Balance Sheet: expression of the financial position of the company.
2. The format of the balance sheet.
3. Items of the balance sheet: most significant properties.
4. Functional classification.
5. Classic imbalances.

- **Topic 3. The income statement**

1. The nature of the Income Statement.
2. The format of the Income Statement
3. Other operational formats.
4. More relevant results.
5. Quality of the result for the year.

- **Topic 4. The statement of changes in equity**

1. Objectives and usefulness of the Statement of Changes in Equity.
2. Disclosure of the Statement of Changes in Equity.
3. The statement of Recognised Income and Expenses.
4. The Statement of Total Changes in Equity.

- **Topic 5. The statement of cash-flows**

1. Fund-flows and changes in cash.
2. The Statement of Cash-Flows.
3. Elaboration of the Statement of Cash-Flows.
4. Disclosure of the Statement of Cash-Flows.

- **Topic 6. The notes to the annual accounts**

1. Concept and usefulness
2. Content of the notes to the annual accounts

### Section III.

Together with the annual accounts, commercial regulation obliges companies that exceed a certain size to issue two additional reports that complement the information included in the financial statements: the management report and the audit report. Although they are two reports with very different characteristics, the student will learn the meaning of both and their usefulness for knowing the financial position of the company.

- **Topic 7. Other reports**

1. The Management Report.
2. The Auditor's Report.

### Section IV.

This Topic will permit the student to learn the contents of another type of financial reporting that is less regulated and less required by the commercial regulation, but that includes information with different characteristics to the information included in the annual accounts. In this context, simplified reporting, intermediate reporting, planned reporting and the elaboration and meaning of the state of value added will be analysed.

- **Topic 8. Other financial reporting**

1. The Statement of Value-Added.
2. Simplified financial reporting.
3. Interim financial reporting.
4. Provisional financial reporting.

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In addition to the learning activities above, the task referring to the real disclosure of accounting reporting will be monitored and questions and doubts arising about how companies disclose their accounting reporting will be solved.

### 4.4. Course planning and calendar

Further information concerning the timetable, classroom, office hours, assessment dates and other details regarding this course, will be provided on the first day of class or please refer to the Moodle website (<https://moddle2.unizar.es>); Academic calendar website (<https://academico.unizar.es/calendario-academico/calendario>); or the website of your corresponding faculty ( Zaragoza: <https://econz.unizar.es/>, Huesca: <http://fegp.unizar.es/>, Teruel: <http://fcsh.unizar.es/>).

### 4.5. Bibliography and recommended resources