

Academic Year/course: 2022/23

## 27517 - Financial Statements

### Syllabus Information

**Academic Year:** 2022/23

**Subject:** 27517 - Financial Statements

**Faculty / School:** 109 - Facultad de Economía y Empresa

**Degree:** 449 - Degree in Finance and Accounting

**ECTS:** 6.0

**Year:** 2

**Semester:** Second semester

**Subject Type:** Compulsory

**Module:**

## 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.

These approaches and objectives are aligned with the 2030 Agenda Sustainable Development Goals (SDGs) and certain specific targets (<https://www.un.org/sustainabledevelopment/>), contributing to some extent to their achievement.

#### **Goal 4: Quality education**

Goal 4 targets

4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development

#### **Goal 8: Decent work and economic growth**

Goal 8 targets

8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

#### **Goal 16: Promote just, peaceful and inclusive societies**

Goal 16 targets

16.6. Promote just, peaceful and inclusive societies

## 2. Learning goals

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

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

As in the FIRST CALL as in the SECOND CALL the student will prove that he/she has achieved the expected learning outcomes by means of a GLOBAL assessment system structured in any of the following modes:

#### MODE A:

In order to be able to carry out this type of assessment, students must carry out and discuss in class a minimum of 70% of the proposed activities related to the subject taught in each session, both theoretical and practical.

The assessment will be carried out by means of the activities proposed in classes and a written exam.

ACTIVITIES (30% weight of final mark): They consist of practical cases and theoretical-practical questions based on financial reporting of a company to be solved and discussed by the student at class. There will be one activity in every topic of the syllabus, at least. These activities require that student carries out previous work at class or out of the class. The assessment of these activities will be the arithmetic mean of the valuation of all of them.

WRITTEN EXAM (70% of final mark): This exam will deal with the contents of topics 1 to 7 of the syllabus and will be taken on the date of the official call set by the Faculty in the calendar of exams. This exam will consist of theoretical and practical questions that can be closed-ended questions (multiple-choice) or open-ended questions, so students shall prove that has assimilated and understood the basic concepts of the subject.

To pass the subject with Mode A, the mark of the written exam should be equal to or greater than 4 (out of 10) and the final weighted mark of the written exam and the mark of the proposed activities shall 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 (that to pass the subject shall be equal to or greater than 5 (out of 10)). In the event that the student gets a mark less than 4 in the written exam, the final mark will be the mark of the written exam.

The mark of the proposed activities will be kept for the second call.

#### Mode B:

This mode consist of a written exam in which the student shall get a mark of 5 out of 10. This exam will deal with the contents of topics 1 to 7 of the syllabus and will be taken on the date of the official call set by the Faculty in the calendar of exams. This exam will consist of theoretical and practical questions that can be closed-ended questions (multiple-choice) or open-ended questions, so students shall prove that has assimilated and understood the basic concepts of the subject.

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

### 4.1. Methodological overview

The learning process designed for the course Financial Statements comprises 6 ECTS credits and distributes 150 student working hours in 60 class hours (theoretical and practical) and 90 distance learning hours.

The 60 class hours of theoretical and practical sessions consist of 30 participative lectures and 30 practical hours solving problems and practical cases. The class time of the course is organised as follows:

- Lectures. These 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. Participatory lectures will last 2 hours and will include a revision of the most relevant concepts and the explanation of new concepts, finishing with a summary of the most relevant points of the lecture. Students will have at their disposal the recommended bibliography for each lesson and they are expected to review it in detail before attending the corresponding lecture.
- Practice sessions. Every week, besides the theoretical participatory lecture, students will attend a practical class to solve cases. There will be two types of problems and cases. Some of them will be designed to consolidate and to help to understand the most relevant issues explained in the participatory classes. 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 but there will be other cases that 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 classes.

Finally, the 90 hours of the student's distance learning will consist of 30 reading hours and personal reflection about the programme of the course or the bibliography, 30 hours to complete the group task and 30 hours to do individual exercises, participating in learning platforms and tutorials.

### 4.2. Learning tasks

The course includes the following learning tasks:

#### SECTION 1.

- TOPIC 1. FINANCIAL REPORTING. 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.

## SECTION II.

- TOPIC 2. THE BALANCE SHEET
- TOPIC 3. THE INCOME STATEMENT
- TOPIC 4. THE STATEMENT OF CHANGES IN EQUITY
- TOPIC 5. THE STATEMENT OF CASH FLOWS
- TOPIC 6. THE NOTES TO THE ANNUAL ACCOUNTS

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.

## SECTION III.

- TOPIC 7. OTHER REPORTS. 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.

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.

The teaching methodology is planned to pivot around face-to-face classes. However, if necessary for health reasons, face-to-face classes may be taught online.

### 4.3. Syllabus

The course will address the following topics:

- Topic 1. FINANCIAL REPORTING
  - 1. Financial reporting. Main characteristics.
  - 2. Classification of financial reporting.
  - 3. The financial reporting (annual accounts).
- 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 expense.
  - 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
- Topic 7. OTHER REPORTS
  - 1. The management report.

- 2. The auditor's report.

#### **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 Faculty of Economics and Business website (<https://econz.unizar.es/>)