

## 61406 - Creative Accounting in Listed Companies

### Syllabus Information

**Academic year:** 2023/24

**Subject:** 61406 - Creative Accounting in Listed Companies

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

**Degree:** 526 - Master's in Accounting and Finance

**ECTS:** 4.0

**Year:** 1

**Semester:** First semester

**Subject type:** Optional

**Module:**

### 1. General information

This subject raises the analysis of creative accounting as one of the main limitations of the business information as a basis for economic-financial decision making by users. It aims to help students to:

- identify creative practices and recognize the situations in which it is more likely for a company to manipulate
- assess the effect of creative accounting on the analysis and interpretation of business data and how it can impact decision making of the users of financial information;
- analyse the different measures to limit and control creative accounting.

*These objectives are aligned with the SDGs of the United Nations 2030 Agenda (<https://www.un.org/sustainabledevelopment/es/>), specifically, they contribute to the achievement of targets 4.3, 4.4 and 4.7 of Goal 4, and 8.5 of Goal 8.*

### 2. Learning results

Upon completion of the subject the student will be able to:

- understand the concept of creative accounting,
- know why it exists.
- identify in what type of actions or practices it can be found
- assess the impact of creative accounting on the quality of business information and on its different users
- learn about the solutions that have been proposed to this phenomenon.

### 3. Syllabus

- Creative accounting: meaning and scope
- Causes of the existence of creative accounting
- Possible creative practices to be adopted by companies.
- The usefulness of accounting information in the face of the creative accounting phenomenon.
- Limits and solutions to creative accounting

### 4. Academic activities

1. Concepts presentation and discussion:

- meaning and scope of creative accounting;
- factors that facilitate their existence;
- incentives to manipulate;
- manipulative practices;
- effects of creative accounting on the usefulness and users of financial information;
- limits and solutions.

2. Analysis and discussion of the main contributions of accounting and financial research on the quality of business information.

3. Presentation of group studies on real cases of accounting manipulation.

4. Design, research and solving of possible creative accounting scenarios.

5. Presentation of papers on the key aspects of the subject discussed throughout the term.

### 5. Assessment system

**CONTINUOUS ASSESSMENT**

-Participation in discussions on the key aspects of each topic based on the documentation previously provided by teachers (10%).

-Analysis of some of the most relevant business cases in which creative accounting practices are found (20%).

-Design, research and solving of possible creative accounting scenarios (15%).

-Work done on different aspects explained throughout the subject that have been relevant in the national and/or international business world (55%).

**OVERALL ASSESSMENT**

Written exam on the global content of the subject.