



University of Management and Technology
School of Commerce and Accountancy
Quaid e Azam Campus

Course Outline

Course Title: Financial Reporting (AC-375)	
Program	B.Com (Hons)
Credits Hours	3
Duration	15 Weeks / 30 Sessions
Prerequisites	Advanced Financial Accounting (AC-351)
Resource Person	
Contact/Email	

Course Description:

The business environment is changing fast. A shift towards computers and importance of global business activity demands an in-depth and precise understanding of accounting standards and procedures to help the future managers to cope with any challenges realizing the importance of technology in the emerging business environment. Financial accounting and reporting serves the needs of the government, shareholders, capital markets and banks, and this course will enable the participants to learn accounting principles about book keeping preparation of financial statements and certain classified accounting methods. Financial reporting furnishes information about the firm's economic resources, claims against those resources, owners' equity, and changes in resources and claims. Financial reporting provides information about financial performance during a period and management's discharge of its stewardship responsibility to owners. This course will enable the students to incorporate IFRS in the preparation of financial statements of listed corporations.

Learning Objectives:

1. knowledge of and practice in using the theoretical frameworks applied in addressing financial reporting issues;
2. awareness of and experience in applying the local standards that deal with specific industries, contexts and financial statement items;
3. an appreciation of the conceptual strengths and weaknesses of required accounting methods and the determinants of the choices made by directors and managers, in those circumstances where some flexibility is allowed in the application of accounting methods; and
4. a capacity to critically evaluate controversial issues in external reporting
5. Use financial reporting information to be able to give a basic ratio analysis and explanations of the financial strength and weaknesses of a business.
6. Understand the effect of choice of accounting policies and their effect on the determination of accounting earnings.
7. Preparation of Group Accounts
8. Issues relating to Leases
9. Accounting for provisions and contingencies.

Teaching-Learning Methodology:

- Lectures
- Recommended Text/Supplementary Texts
- Handouts
- Case Studies
- Skill Development Exercises
- Guest Speakers

- Industrial/Corporate Visits
- Project Report/Term Paper

Recommended Text Book:

1. International Financial Reporting Standards (IFRS)
2. IFRS Practical Hand Book of IFRS by Asim Amin & Adnan Rashid
3. Gripping IFRS Volume 1 and 2 Published by ICAP
4. Financial Reporting ACCA (F7)

Supplementary Text Books:

Companies Ordinance 1984

Assessment & Evaluation:

Quizzes	15%
Assignments / Class Activities / Presentations	20%
Mid Term	25%
<u>End Term Exam</u>	<u>40%</u>
Total:	100

SCHEDULE OF ACTIVITIES

Week	Contents / Topics to be Taught	Tasks / Activities
1	<p>Need and Scope of Financial Reporting</p> <p><u>Qualitative Characteristics of Financial Statements</u></p> <ul style="list-style-type: none"> • Understandability • Relevance • Materiality • Reliability • Faithful presentation • Substance Over Form • Neutrality • Prudence • Completeness • Comparability <p><u>Constraints on Relevant and reliable Information</u></p> <ul style="list-style-type: none"> • Timeliness • Cost and benefit • Balance between Qualitative Aspects • True and fair view 	<p>Course Outline Distribution</p>
2	<p><u>Overview of Financial Statements of Corporations</u></p> <ul style="list-style-type: none"> • Income Statement and Balance Sheet of Listed Corporations • Cash Flow Statement • Notes to the Accounts • Presentation and Disclosure Requirements <p>Study of Annual Reports of Different Sector</p>	<p>Assignment 1 Quiz 1</p>
3&4	<p>Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8)</p> <ul style="list-style-type: none"> • Selection and Application of accounting policies • Consistency of Accounting Policies • Changes in Accounting policies • Disclosure Requirements 	<p>Assignment 2</p>
5	<p><u>Earnings Per Share (IAS 33)</u></p> <ul style="list-style-type: none"> • Basic EPS • Calculation of Weighted Average Number of Shares • Potential Ordinary Shares 	<p>Quiz 2</p>

	<ul style="list-style-type: none"> Options, Warrants and their Equivalents Diluted EPS 	
6-7	<p><u>Leases (IFRS 16)</u></p> <ul style="list-style-type: none"> Scope of Lease Classification of Leases Finance Lease Leases in the Financial Statements of Lessee and Lessor Initial Recognition Subsequent Measurements Disclosures 	
8	MID TERM	
9	<p><u>Accounting for Government Grants and Disclosure of Government Assistance (IAS 20)</u></p> <ul style="list-style-type: none"> Government Grants Non-Monetary Government Grants Presentation of Grant Related Assets Presentation of Grant Related Income Repayment of Government Grants Government Assistance 	
10	<p><u>Impairment Losses (IAS 36)</u></p> <ul style="list-style-type: none"> Identifying Assets that may be impaired Measuring Recoverable Amount Recognition and Measurement of Impairment losses Cash Generating Unit and Goodwill Reversing an Impairment Loss 	<p>Assignment 3</p> <p>Quiz 3</p>
12-13-14	<p><u>IAS-27, IAS-28, IFRS-3, IFRS-10 & IFRS-13</u></p> <ul style="list-style-type: none"> Concept of Subsidiary and Associated Undertaking Group Accounts Minority Interest Consolidated Balance Sheet Consolidated Profit and Loss Account 	<p>Assignment 4</p> <p>Quiz-4</p>
15	Presentations	