

S1 - ADVANCED FINANCIAL ACCOUNTING & SUSTAINABILITY REPORTING (Strategic Level-1)

Practical Industry Knowledge (PIK) Stream

INTRODUCTION

This course is designed to focus on preparing, analysing financial statements and developing reports thereon, for management decisions. The students are expected to use knowledge and understanding of more advanced financial accounting, for preparing and interpreting financial statements in context of practice.

OBJECTIVE

To provide the students with an in-depth knowledge of financial reporting enabling them to:

- Analyse and interpret financial statements and prepare financial reports, and
- Submit recommendations to the management for taking decision.

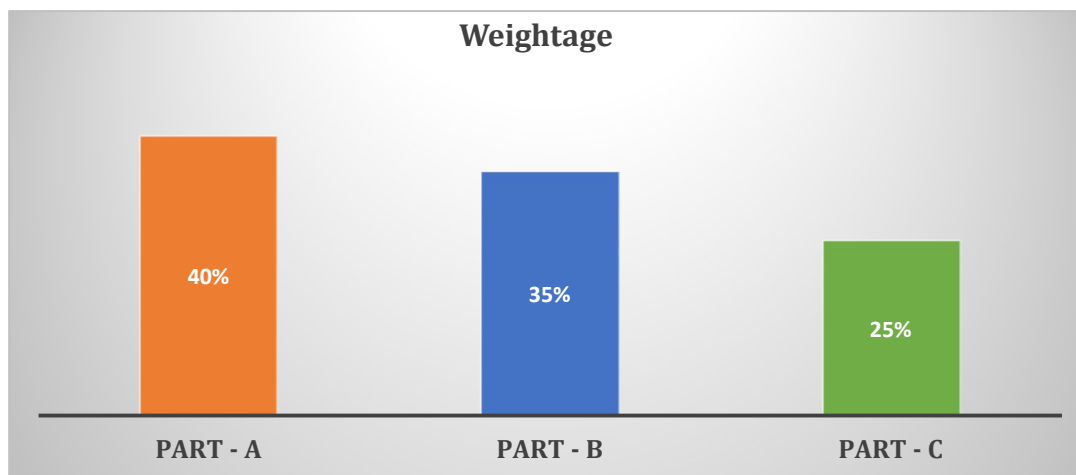
LEARNING OUTCOMES

On completion of this course, students will be able to:

- Understand the principle of substance over form applied to a range of transactions;
- Comprehend the accounting treatment of financial instruments;

- Understand Employee benefits and Share-based payments;
- Elucidate Asset valuation and Changing prices;
- Prepare the full consolidated statements of a single company and the consolidated statements of financial position and comprehensive income for a group;
- Apply the concept of a joint venture and its accounting treatment
- Learn foreign currency translation principles,
- Realize pressures for extending the scope and quality of external reports to include prospective and non-financial matters, and narrative reporting generally;
- Learn how information concerning the interaction of a business with society and the natural environment can be communicated in the published accounts;
- Comprehend social and environmental issues which are likely to be most important to stakeholders in an organization;
- Learn about preparation and presentations of financial statements of specialized companies

SYLLABUS CONTENTS



PART - A MATTERS RELATED TO RECOGNITION AND MEASUREMENT

1. Substance over form

- Reporting the Substance of Transactions
- Examples Where Substance and Form may Differ

2. Financial instruments (IAS 32, IFRS 7 & IFRS 9)

- Disclosure of Financial Instruments
- Hybrid Instrument
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

3. **Employee benefits (IAS 19)**
 - Accounting for Post-Employment Benefit Plans
 - The Asset Ceiling Disclosures
 - IFRIC 14 IAS 19– The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
4. **Share-based payments (IFRS 2)**
 - Types of Transaction
 - Equity-Settled Share-Based Payment Transactions
 - Cash-Settled Share-based Payment Transactions
 - Modifications, Cancellations and Settlements
 - Recent Developments
 - Disclosures
5. **Asset valuation and Changing prices**
 - Impairment of Financial Assets
 - Accounting Treatment
6. **Earnings per share (IAS 33)**
 - The Scope of IAS 33
 - Diluted Earnings per Share (DEPS)
7. **Other Financial Reporting standards**
 - IFRS 6 Exploration for and evaluation of Mineral Resources
 - IAS 29: Financial Reporting in Hyperinflationary Economies with IFRIC 7 -Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
 - IAS 34 Interim Financial Reporting with IFRIC 10: Interim Financial Reporting and Impairment
10. **Consolidated statement of comprehensive income**
 - Intra-Company Trading
 - Other Consolidated Income Statement Adjustments Mid-Year Acquisitions
 - Preparation of Consolidated Statement of Comprehensive Income
11. **IAS 27, IFRS 10, IFRS 3 (Revised), IFRS 13**
 - Preparation of Consolidated Financial Statements Treatment of Goodwill
 - The basis of a Fair Value Measurement
 - Specific Application Principles Disclosures
12. **Effect of non-controlling interests**
 - Effects of Non-Controlling Interest on:
 - On Statement of financial position
 - Intra-group trading
 - Intra-group sales of non-current assets
 - Fair Values
13. **Acquisition of a Subsidiary during its accounting period**
 - Step Acquisitions
 - Disposal Scenarios
 - Investing Entity's Accounts
 - Group Accounts - Entire Disposal
 - Disposal where Control is not Lost (Increase in NCI) Subsidiaries Acquired Exclusively with a View to Subsequent Disposals
14. **Consolidated Statement of changes in Equity**
 - Preparation of Consolidated Statement of Changes in Equity
15. **Associates and Joint ventures**
 - IAS 28 Investments in Associates and Joint Ventures
 - IFRS 12 Disclosure of Interests in Other Entities

PART - B GROUP FINANCIAL STATEMENTS

8. **Introduction to group accounting**
 - Concept of Group Accounts
 - Definitions
 - Exemption from Preparation of Group Financial Statements
9. **Consolidated statement of financial position**
 - Pre- and Post-Acquisition Profits
 - Non-Controlling Interest
 - Fair Value of Net Assets Acquired Intra-Group Trading
 - Unrealized Profit

PART - C COMPLEX GROUP TOPICS

16. **Changes in group structures**
 - Business Combination achieved in Stages
 - Changes in direct ownership
17. **Complex group structures**
 - Complex group
 - Consolidating sub-subsidiaries
 - Direct holding in sub-subsidiaries

18. Foreign currency

- IFRIC 22- Foreign Currency Transactions and Advance Consideration

19. Group statements of cash flows

- IAS 7 Statement of Cash Flows of Single Company
- Consolidated Statements of Cash Flows