

SUBJECT DESCRIPTION

Subject Information	
Name	FINANCIAL ACCOUNTING
Course Code	
Degree	Degree of Business Administration and Management
Year	First
Semester	Second
ECTS Credits	6
Type of course	Compulsory
Department	Financial Management
Area	Accounting
University	Universidad Pontificia Comillas
Timetable	
Teaching Staff	Laura Lazcano
Descriptor	The course addresses the management of financial information on a company as an essential tool for decision-making. Therefore, the student will learn the criteria applicable to the various assets and liabilities as well as the accounting treatment of the main and most important operations involving such elements. It will also develop certain concepts that will be fundamentals to perform financial and economic analysis of real companies

Teaching Staff	
Coordinator	
Name	Laura Lazcano Benito, PhD
Department	Financial Management
Area	Accounting
Office	OD-410
e-mail	llazcano@comillas.edu
Phone	91 542 28 00 # 2838
Tutorials timetable	To be announced at the beginning of the classes
Teaching Staff	
Professor	
Name	Gonzalo de Saavedra
Department	Financial Management
Area	Accounting
Tutorials timetable	To be announced at the beginning of the classes

DETAILED COURSE INFORMATION

The Subject in Context
Contribution to Degree's Professional Profile
<p>The Financial Accounting course is integrated into the Accounting Area Department of Financial Management. Includes content needed to understand the subjects of this department to be taught later during the degree.</p> <p>The course addresses the issue of management of financial information on a company as an essential tool for decision-making. Therefore, the student will learn the accounting problems of the largest and most important transactions affecting the different elements of a company and its accounting. Additionally, will develop certain concepts that will be essential to perform financial and economic analysis of real companies.</p> <p>Knowledge of accounting, both in its theoretical and practical aspects, is fundamental for professionals involved in the business world, as well as a language used in all areas of any company, not only in the accounting or financial area.</p>
Prerequisites
<p>Completed Introduction to Accounting. Basic knowledge of financial mathematics is highly recommended</p>

CONTENT and MODULES

MODULE 1: CURRENT ASSETS

Chapter 1: INVENTORY
<p>1.1 Inventories: accounts used by the PGC 1.2 Initial valuation of inventories 1.3 Raw Materials and other consumables 1.4 Valuation Methods 1.5 Subsequent valuation: impairments 1.6 The Value Added Tax (VAT)</p>
Chapter 2: COMERCIAL OPERATIONS
<p>2.1 Financial instruments and assets 2.2 Trade receivables 2.3 Initial valuation 2.4 Accounts used by the PGC 2.5 Accounting treatment and problem solving of receivables 2.6 Subsequent valuation: amortized cost 2.7 The impairment of trade receivables 2.8 Trade credit in foreign currency 2.9 Other short-term trade credit</p>
Chapter 3: Cash and other liquid assets
<p>3.1 Analysis of cash 3.2 Bank accounts 3.3 The cash accounts in the PGC 3.4 Treasury assessment</p>

MODULE 2: NET WORTH

Chapter 4: EQUITY

- 4.1 Capital from an accounting point of view
- 4.2 The corporation: concepts and key features
- 4.3 Accounts related to the share capital in the PGC
- 4.4 Accounting treatment of share capital
- 4.5 Net income for the period
- 4.6 Net income for the period: application and distribution
- 4.7 Loss for the year and accumulated losses
- 4.8 Self-financing
- 4.9 Reserves
- 4.10. Self financing for maintenance

Chapter 5: Grants, donations and legacies

- 5.1 Concept

MODULE 3: LIABILITIES

Chapter 6: Commercial and non-commercial debts

- 6.1 Role of liabilities in a company: financial leverage
- 6.2 Cost of liabilities: interest, financial expenses and commissions
- 6.3 Types of liabilities
- 6.4 Guarantees
- 6.5 Classification of liabilities by maturity
- 6.6 Liabilities accounts in the PGC
- 6.7 Financial expenses in the PGC
- 6.8 Liabilities valuation criteria under the PGC-SMEs
- 6.9 Accounting treatment
- 6.10 Personnel expenses, income tax and Social Security

Chapter 7: Provisions and contingencies

- 7.1 Fundamental concepts
- 7.2 Recognition and measurement
- 7.3 General accounting treatment

MODULE 4: FINANTIAL INVESTMENTS

Chapter 8: Financial Investments : General Concepts and Non-commercial loans

- 8.1 Financial investments: Nature
- 8.2 Trading securities: concept and characteristics
- 8.3 Classification of trading securities
- 8.4 Financial investments in the PGC
- 8.5 Non-trade loans in the PGC: accounts to use
- 8.6 Initial valuation of non-trade loans
- 8.7 Subsequent valuation: impairment of non trade loans

Chapter 9: Equity instruments: Shares

9.1 General concepts
 9.2 Classification and accounts used in the PGC
 9.3. Investments in equity of group, multigroup and associated companies: valuating and accounting treatment.
 9.4. Held for share: valuating and accounting treatment.
 9.5 Held for sale equity: valuating and accounting treatment.

Chapter 10: Debt securities

10.1 General concepts
 10.2 Classification and accounts used in the PGC.
 10.3 Debt instruments held to maturity: valuation and accounting treatment

MODULE 5: TANGIBLE AND INTANGIBLE ASSETS

Chapter 11: Fixed assets

11.1 Concept and classification
 11.2 Property, plant and equipment: general aspects
 11.3 Investment properties
 11.4 In progress fixed assets
 11.5 Intangible assets: general aspects
 11.6: Some intangible assets

Chapter 12: Value adjustments to fixed assets

12.1 Depreciation of fixed assets
 12.2 Accounting amortization analysis
 12.3 Amortization in practice
 12.4 Accounting treatment of amortization
 12.5 Impairment losses of tangible and intangible assets
 12.6 Loss of fixed assets

Chapter 13: Financial statements

13.1 Financial statements: general issues
 13.2 The balance sheet
 13.3 The Profit and Losses Account
 13.4 The Annual Report
 13.5 Other financial statements in the PGC
 13.6 Legal current regulations
 13.7 Non financial information (ESG criteria)

TEACHING METHODOLOGY

General methodological aspects of the course

Classroom Methodology: Activities

- Master class covering theoretical explanations and providing guidance over the study of each specific lesson.

<ul style="list-style-type: none"> Interactive discussion sessions covering the analysis and resolution of cases and exercises, individual and/or group assignments and problem solving 	
Work out of the classroom: Activities	
<ul style="list-style-type: none"> Prior and post-class study of the theoretical contents Preparation of the case studies that will be corrected afterwards in class. 	

EVALUATION AND GRADING CRITERIA

Grading Methodology		Porcentaje
Final exam	<ul style="list-style-type: none"> - Correct answer - Concept knowledge - Spelling and presentation - Consistency 	60%
Mid terms /Individual module's tests	<ul style="list-style-type: none"> - Correct answer - Concept knowledge - Spelling and presentation - Consistency 	20%
Active participation of the student Resolution of different examples and exercises.	<ul style="list-style-type: none"> - Correct answer - Concept knowledge - Spelling and presentation - Consistency - Regular attendance - Proactive attitude 	20%

The final grade for the course will be numeric between 0 and 10, according to the following scale: 0-4.9 fail; 5-6.9 pass; 7-8.9 remarkable; outstanding 9-10.

However, the formula, which is calculated from the weight that appears in the previous table, is subject to the following rules:

- To pass the course in the December-May period, the student will have to achieve a minimum mark of 4.50 out of 10 in the final written exam. Below this mark, the established formula will not be applied, being the course graded as a fail.

- In case of failing the course in the June-July period exam, the student will have the right to reset the course in the December-May period exam, where the student will be tested in a written/oral exam and will have to achieve a minimum mark of 5.00 out of 10. The final grade will be calculated: 70% Final exam +10% Midterm exams + 20% Active participation of the student.

USE OF CHATGPT OR ANOTHER IAG

According to the General Regulations of the University, art, the improper use of ChatGPT or another IAG will be considered a serious offence. 168.2.e: *"carrying out actions tending to falsify or defraud the academic performance evaluation systems." The consequences of this will be "temporary expulsion of up to three months or the prohibition to take the exam in the next call to the imposition of the sanction, in one or several subjects in which the student is enrolled, [...] apart from assuming the grade of fail (0) in the respective subject, [...] [and] the prohibition to take the exam in that subject in the next call."* Specifically, in this subject, the teacher may allow the use of IAG for specific activities of the subject; the student is obliged to do the following:

-That the student clearly indicates why he has used IAG (ChatGPT). All content created with generative AI must be labelled as such. All content that uses generative AI and is adapted must be labelled as such and cited authors.

-It includes as additional material (annexes) the complete prompt (questions and answers) of your conversation with IAG (ChatGPT) to generate the task.

In case of not complying with the above obligations, the use of IAG by the student will be considered improper use for the purposes mentioned above.

SUMMARY OF THE STUDENT EXPECTED WORKING HOURS

Activities In and Out of Class	Date	Due Date
Case studies and work done in class	Weekly	Weekly
First Midterm (T1 a T3)	Week 5	Week 5
Second Midterm (T4, T6 and T7)	Week 10	Week 10

STUDENT WORKING HOURS			
ON SITE HOURS			
Theoretical Lectures	Practical Lectures	Master Class Activities	Evaluation
11	16	30	8
OUT OF THE CLASS HOURS			
Work over theoretical lectures	Work over practical contents	Group projects	Study
10	37	---	38
TOTAL HOURS: 150		ECTS CREDITS: 6	

BIBLIOGRAPHY AND ADDITIONAL READING LIST

Bibliography
Text Books
<ul style="list-style-type: none">• <i>Manual Contabilidad Financiera Ed MacGraw Hill (2021)</i>
Web pages
<ul style="list-style-type: none">• Portal de recursos de la asignatura (Moodle)• http://www.icac.meh.es/
Other material
<ul style="list-style-type: none">• Available at Moodle (Portal de recursos de la asignatura)