

SUBJECT DESCRIPTION

Subject Information	
Name	FINANCIAL ACCOUNTING
Course Code	
Degree	Degree of Business Administration and Management
Year	Second
Semester	First
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	Manuel Trenado, PhD
Department	Financial Management
Area	Accounting
e-mail	mtrenado@icade.comillas.edu
Tutorials timetable	To be announced at the beginning of the classes

Professor	
Name	José María García
Department	Financial Management
Area	Accounting
e-mail	
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
<ul style="list-style-type: none"> 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)
Chapter 2: COMERCIAL OPERATIONS
<ul style="list-style-type: none"> 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
Chapter 3: Cash and other liquid assets
<ul style="list-style-type: none"> 3.1 Analysis of cash 3.2 Bank accounts 3.3 The cash accounts in the PGC 3.4 Treasury assessment
MODULE 2: NET WORTH
Chapter 4: EQUITY
<ul style="list-style-type: none"> 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 4.11 Income and expenses related to equity: groups 8 and 9
Chapter 5: Grants, donations and legacies
<ul style="list-style-type: none"> 5.1 Concept 5.2 Classification 5.3 Assessment and Recognition 5.4 Criteria for allocation to results

<p>5.5 Accounts used by the PGC</p> <p>5.6 Accounting treatment</p> <p>MODULE 3: LIABILITIES</p>
<p>Chapter 6: Commercial and non-commercial debts</p> <p>6.1 Role of liabilities in a company: financial leverage</p> <p>6.2 Cost of liabilities: interest, financial expenses and commissions</p> <p>6.3 Types of liabilities</p> <p>6.4 Guarantees</p> <p>6.5 Classification of liabilities by maturity</p> <p>6.6 Liabilities accounts in the PGC</p> <p>6.7 Financial expenses in the PGC</p> <p>6.8 Liabilities valuation criteria under the PGC-SMEs</p> <p>6.9 Accounting treatment</p> <p>6.10 Personnel expenses, income tax and Social Security</p>
<p>Chapter 7: Provisions and contingencies</p> <p>7.1 Fundamental concepts</p> <p>7.2 Recognition and measurement</p> <p>7.3 General accounting treatment</p> <p>MODULE 4: FINANTIAL INVESTMENTS</p>
<p>Chapter 8: Financial Investments : General Concepts and Non-commercial loans</p> <p>8.1 Financial investments: Nature</p> <p>8.2 Trading securities: concept and characteristics</p> <p>8.3 Classification of trading securities</p> <p>8.4 Financial investments in the PGC</p> <p>8.5 Non-trade loans in the PGC: accounts to use</p> <p>8.6 Initial valuation of non-trade loans</p> <p>8.7 Subsequent valuation: impairment of non trade loans</p>
<p>Chapter 9: Equity instruments: Shares</p> <p>9.1 General concepts</p> <p>9.2 Classification and accounts used in the PGC</p> <p>9.3. Investments in equity of group, multigroup and associated companies: valuating and accounting treatment.</p> <p>9.4. Held for share: valuating and accounting treatment.</p> <p>9.5 Held for sale equity: valuating and accounting treatment.</p> <p>9.6. Reclassification of financial assets</p>
<p>Chapter 10: Debt securities</p> <p>10.1 General concepts</p> <p>10.2 Classification and accounts used in the PGC.</p> <p>10.3 Debt instruments held to maturity: valuation and accounting treatment</p> <p>10.4 Debt instruments held for trading: valuation and accounting treatment</p> <p>10.5 Debt instruments held for share: valuation and accounting treatment</p> <p>10.6 Reclassification of financial assets</p>

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

TEACHING METHODOLOGY

General methodological aspects of the course	
Classroom Methodology: Activities	
<ul style="list-style-type: none"> • Master class covering theoretical explanations and providing guidance over the study of each specific lesson. • 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 	30%
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 	10%

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. Below this mark, the established formula will not be applied, being the course/subject graded as a fail.

ASSISTANCE AND EVALUATION CRITERIA FOR EXCHANGE STUDENTS AND THOSE KEPT BACK A YEAR

These students are not required to attend class. Nor are they required to do midterms.

In case they decide to do the midterms that will count as a 15% of the final grade. So if the student makes one test it will count as a 15% and the final exam will weight a 85%; if the student makes 2 tests, it will count as 30% and final exam will weight a 70% and so on.

To facilitate this methodology, the student will be allowed to do the tests/exams with any group, although it will have to inform the appropriate teacher his/her intentions.

Once they decide to do the test, they are obligated to finish it.

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 7	Week 7
Second Midterm (T4, T5 and T6)	Week 11	Week 11

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</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)