

Current Issues in Accounting

Module Code: DLMFATRLB_E

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| Module Type see curriculum | Admission Requirements DLMBACCE01 | Study Level MA | CP 5 | Student Workload 150 h |
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| Semester / Term see curriculum | Duration Minimum 1 semester | Regularly offered in WiSe/SoSe | Language of Instruction and Examination English |
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Module Coordinator

Prof. Dr. Gerhard Sälzer (Current Issues in Accounting)

Contributing Courses to Module

- Current Issues in Accounting (DLMBACCE02)

Module Exam Type

Module Exam

Study Format: Distance Learning
Exam, 90 Minutes

Split Exam

Weight of Module

see curriculum

Module Contents

- Preparation of Financial Statements
- Optimization of Receivables and Inventory
- Optimization of Liabilities and Equity
- Current Issues in Financial Accounting
- Valuing Businesses
- Capital Budgeting 154
- Financial Modeling and Valuation

Learning Outcomes**Current Issues in Accounting**

On successful completion, students will be able to

- explain selected management and financial accounting issues.
- Analyze relevant issues specific to the level of financial accounting established in a company.
- Identify and explain the specific tasks of a CFO with regards to the different functions of financial accounting and financial management.
- Describe the regulatory changes following the economic crisis, e.g. Basel III, and identify their impact of financial accounting and control.
- Discuss recent developments concerning IFRS.
- Develop processes and strategic plans that recognize the increased importance of working capital optimization and capital restructuring.
- Identify the functions of a chief treasurer or controller in a multinational corporation.

Links to other Modules within the Study Program

This module is similar to other modules in the field of Finance & Tax Accounting

Links to other Study Programs of the University

All Master Programmes in the Business & Management field

Current Issues in Accounting

Course Code: DLMBACCE02

| Study Level | Language of Instruction and Examination | Contact Hours | CP | Admission Requirements |
|-------------|---|---------------|----|------------------------|
| MA | English | | 5 | DLMBACCE01 |

Course Description

Management accounting and financial accounting are constantly changing and adapting to internal and external circumstances. Financial accounting according to IFRS is continually evolving; developments occur in accounting rules and instruments for financial management are constantly emerging. Following the financial and economic crisis in 2008, accounting changed significantly following the introduction of additional regulatory rules and operating requirements. This course gives students an insight into selected issues and provides practical examples in management accounting and financial accounting. Students are introduced to specific tasks of a CFO with regard to accounting and financial management. The course will also facilitate students to develop an in-depth understanding of working capital optimization and capital restructuring. Finally, students will apply their financial and management accounting knowledge in an integrated financial modeling exercise.

Course Outcomes

On successful completion, students will be able to

- explain selected management and financial accounting issues.
- Analyze relevant issues specific to the level of financial accounting established in a company.
- Identify and explain the specific tasks of a CFO with regards to the different functions of financial accounting and financial management.
- Describe the regulatory changes following the economic crisis, e.g. Basel III, and identify their impact of financial accounting and control.
- Discuss recent developments concerning IFRS.
- Develop processes and strategic plans that recognize the increased importance of working capital optimization and capital restructuring.
- Identify the functions of a chief treasurer or controller in a multinational corporation.

Contents

1. Preparation of Financial Statements
 - 1.1 Accrual and Deferral Concepts for Recording Transactions
 - 1.2 End-of-Period Adjustments and the Use of Accounting Estimates
 - 1.3 Preparation of Financial Statements and the Classified Balance Sheet
 - 1.4 The Accrual Basis of Accounting and the Interpretation of Financial Statements
 - 1.5 Financial Analysis and the Company's Liquidity: Working Capital Ratio, Current Ratio, and Quick Ratio
2. Optimization of Receivables and Inventory
 - 2.1 Receivables and Uncollectibles
 - 2.2 Accounting for Receivables and Uncollectibles
 - 2.3 Inventories Classification
 - 2.4 Inventory Cost Flow Assumptions and Their Impact on Financial Statements
 - 2.5 Financial Analysis: Accounts Receivable and Inventory Turnover Ratios
3. Optimization of Liabilities and Equity
 - 3.1 Financing Using Current Liabilities, Notes Payable, and Contingencies
 - 3.2 Long-Term Sources of Finance
 - 3.3 Debt and Equity Financing and Earnings Per Share
 - 3.4 Financial Statement Analysis Using Price-Earnings Ratio
4. Current Issues in Financial Accounting
 - 4.1 International Financial Reporting Standards (IFRS)
 - 4.2 Principle- Versus Rule-Based Standards and IFRS Fair Value Measures
 - 4.3 Specific IFRS Standards
 - 4.4 Financial Statement Presentation under IFRS
 - 4.5 Integrated Revenue Recognition and the Implications of Adopting IFRS
5. Valuing Businesses
 - 5.1 Financial Statements and Valuation
 - 5.2 Accrual Accounting and Valuation: Pricing Book Value
 - 5.3 Accrual Accounting and Valuation: Pricing Earnings
 - 5.4 Business Valuation Methods in Practice
 - 5.5 Corporate Restructuring, Corporate Governance, and Auditor's Role in Firm Valuation

6. Capital Budgeting
 - 6.1 Capital Budgeting Decisions
 - 6.2 Non-Discounting Models: Payback and Accounting Rate of Return
 - 6.3 Discounting Models: The Net Present Value (NPV) Method and Internal Rate of Return (IRR)
 - 6.4 NPV Versus IRR for Selecting Mutually Exclusive Projects
 - 6.5 Basics of Modeling Capital Budgeting
7. Financial Modeling and Valuation
 - 7.1 Using Assumptions and Building a Financial Model
 - 7.2 Analysis, Valuation, and Planning

Literature

Compulsory Reading

Further Reading

- Berk, J., DeMarzo, P., Harford J. (2021). Fundamentals of Corporate Finance, (5th ed.). Pearson.
- Hansen, D. R., & Mowen, M. M. (2015). Cornerstones of cost management (3rd ed.). Boston, MA: Cengage.
- Häcker, J. & Ernst, D. (2017). Financial Modeling: An Introductory Guide to Excel and VBA Applications in Finance (1st ed.). Palgrave Macmillan.
- Needles, B. E., & Powers, M. (2013). International financial reporting standards: An introduction (3rd ed.). Boston, MA: Cengage.
- Penman, S. H. (2013). Financial statement analysis and security valuation (5th ed.). New York, NY: McGraw Hill Education.
- Warren, C. S. (2017). Survey of accounting (8th ed.). Boston, MA: Cengage.

Study Format Distance Learning

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| Study Format Distance Learning | Course Type Online Lecture |
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| Information about the examination | |
| Examination Admission Requirements | BOLK: yes Course Evaluation: no |
| Type of Exam | Exam, 90 Minutes |

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| Student Workload | | | | | |
| Self Study | Contact Hours | Tutorial | Self Test | Independent Study | Hours Total |
| 90 h | 0 h | 30 h | 30 h | 0 h | 150 h |

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| Instructional Methods | |
| <input type="checkbox"/> Learning Sprints® <input checked="" type="checkbox"/> Course Book <input type="checkbox"/> Vodcast <input checked="" type="checkbox"/> Shortcast <input checked="" type="checkbox"/> Audio <input checked="" type="checkbox"/> Exam Template | <input type="checkbox"/> Review Book <input type="checkbox"/> Creative Lab <input type="checkbox"/> Guideline <input type="checkbox"/> Live Tutorium/Course Feed <input checked="" type="checkbox"/> Slides |