Accounting and Balancing

Course Description

The knowledge obtained in this class will provide you with an important set of tools that are vital for anyone who will be expected to use financial statements in a meaningful way, and make key managerial decisions particularly with respect to the start-up of an enterprise. Procedural aspects of financial accounting will be discussed in order to enhance your understanding of the content of the financial statements. However, the emphasis of the class is on analyzing the financial condition of an operating company and to make recommendations to the management for improvements.

Contents

1. Financial Accounting as Information Source
   1. Business activities and the role of accounting
   2. Basic financial statements
   3. Key ratios
2. General Accounting Principles
   1. Conceptual Framework under IFRS
   2. IFRS for SMEs
   3. BilMog and HGB in Germany
3. Measuring Performance: Income Statement and Statement of Cash Flow
   1. Accrual accounting
   2. Income statement
   3. Statement of cash flow
   4. Revenue recognition
4. Reporting and Analysing Assets: Balance Sheet
   1. Definition of Assets
   2. Inventory
   3. Property, plant & equipment
   4. Intangible assets
5. Reporting and Analysing Liabilities and Equity: Balance Sheet
   1. Definition of Liabilities and Equity
   2. Accounting for debt financing
   3. Accounting for contributed and earned capital
6. Financial Statement Analysis

6.1 Horizontal and vertical Ratio Analysis

1. Analysing profitability, liquidity, and solvency
2. Using Accounting Information in Valuation
3. Accounting Illustrated – case study

7.1 Application of Accounting principles

1. Analysis of Accounting Information
2. Recommendations based on Accounting Information