



## Course Outline

### Advanced Financial Accounting

Spring Term 2013

Wed 10.15-12 (S13)

Thu 14.15-16 (S13)

Prof. Dr. Ulf Schiller  
Ordinarius

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#### 1. Objective

The objective of this course is to enable students to read, understand, and prepare financial statements of single legal entities according to the IFRSs. Students will:

1. Expand the technical proficiency in accounting for physical and financial transactions, and in the preparation of financial statements.
2. Develop a thorough understanding of international accounting regulation with respect single-entity accounting, in particular to IFRS.
3. Develop the conceptual understanding for accounting and reporting requirements, i.e. the scope of the Standards, recognition and measurement of assets and liabilities.

#### 2. Organization

##### Reading and course language

**Basic Reading:** A problem with textbooks is that the IFRS are still undergoing a fast development. Thus, textbooks become quickly outdated. Therefore, the original standards should be your main source.

Password protected PDF copies of the original Standards will be provided as downloads. The password will be distributed in class. Downloads and password are for personal use only and must not be passed to second persons.

The following book provides an introductory overview:

**Derry Cotter:** Advanced Financial Reporting – A Complete Guide to IFRS, Prentice Hall 2012, ISBN 978 0 273 73235 8. *This book is introductory and does not cover all details of the lecture. However, for each chapter of the lecture it will provide a useful first overview.*

**Further Reading:** The leading accounting companies edit comments on the IFRSs that are very useful. This reading is optional.

iGAAP 2012: A Guide to IFRS (Volume 1 Parts 1&2), edited by **Deloitte** LLC, LexisNexis, ISBN 978 0 7545 4271 1 & ISBN 978 0 7545 4272 8.

International GAAP 2012: Generally Accepted Accounting Practice under International Financial Reporting Standards: 1-3, edited by **Ernst & Young**, Wiley&Sons, 3rd ed., ISBN 978-1119962458

Insights into IFRS: **KPMG's** practical guide to International Financial Reporting Standards, 8<sup>th</sup> ed. 2011/12, Sweet&Maxwell, Thomson Reuters, ISBN 978 0 414 04786 0

Manual of accounting IFRS 2012, edited by the **Global Accounting Consulting Services of PwC**, Bloomsbury Publishing, ISBN 978 1 84766 906 3.

Manual of accounting – Financial instruments 2012, edited by the **Global Accounting Consulting Services of PwC** LLP, Bloomsbury Publishing, ISBN 978 1 84766 905 6.

The general course language is English. No German translation will be provided. However, German speaking students may find it helpful to gather an English-German version of the International Financial Reporting Standards.

**International Financial Reporting Standards (IFRS) 2012:** Deutsch-Englische Textausgabe der von der EU gebilligten Standards. English & German edition of the official standards approved by the EU, Wiley 2012.

Apart from that, you should notice that a thorough command of the English terms will be absolutely necessary in order to both pass the exam and to work in a professional environment in your near future.

## Examination

Three problem sets (PS) will be distributed in class. Students are allowed to solve the PSs in group work. A group may consist of 4 students at most. Two out of three solutions will be graded (random pick; not submitted solutions will get grade 1). By the end of the teaching period, there will be an individual written examination, consisting of a combination of topics covered in the lecture (knowledge questions) and quizzes & cases (problem-solving abilities). (Open book exam; simple, non-programmable calculators are allowed.)

Grades will be based on the solutions to the PS (1/3) and the final exam (2/3).

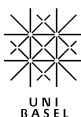
## Contact

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**Tentative schedule:**

<b>Date</b>	<b>Topic</b>	<b>Required reading</b>
Feb 27	<b>Chapter 1</b> <b>Introduction, Conceptual Framework, Regulation</b>	Slides Ch 1 (pdf) IASB: Framework (pdf) Cotter: pp 7-70 PwC1: Chs 1,2 (optional) Deloitte: Chs A1, A2 (optional)
Feb 28	<b>Chapter 2</b>	Slides Ch 2 (pdf) IASB: Framework, IAS 1, IAS 7, IAS 8 (pdf)
Mar 6	<b>Presentation Issues</b> <b>(IAS 1 Presentation; IAS 7 Cash-Flow Statements; IAS 8 Accounting Policies, Change in Accounting Estimates and Errors)</b>	Cotter: pp 71-100 PwC1: Chs 4,5,30 (optional) Deloitte: Chs A4, A21, A5 (optional)
Mar 7	<b>Chapter 3</b> <b>IAS 2 Inventories</b>	Slides Ch 3 (pdf) IASB: IAS 2 (pdf) Cotter: pp. 103-115 pwc_1: Ch 20 (optional) Deloitte: Ch A11 (optional)
Mar 13	<b>No lecture</b>	
Mar 14	<b>No lecture</b>	
Mar 20	<b>Chapter 4</b>	Slides Ch 4 (pdf)
Mar 21	<b>IAS 16 Property, Plants, and Equipment and IAS 40 Investment Property</b>	IASB: IAS 16; 40 (pdf) Cotter: pp 126-137; 150-157 PwC1: Ch 16 (optional) Deloitte: Chs A7, A8 (optional)
<b>Mar 27</b>	<b>Chapter 5</b> <b>IFRS 13: Fair Value Measurement</b> <i>Distribution of PS 1</i>	Slides Ch 6 (pdf) IASB: IFRS 13 (pdf) PwC1: Ch 34 (optional) Deloitte: Ch A6 (optional)
Mar 28	<b>No lecture</b>	
Apr 3	<b>Chapter 6</b> <b>IAS 36 Impairment of Assets</b>	Slides Ch 5 (pdf) IASB: IAS 36 (pdf) Cotter: pp. 158-169 PwC1: Ch 18 (optional) Deloitte: Ch A10 (optional)
Apr 4	<b>Chapter 7</b> <b>IAS 38 Intangible Assets</b>	Slides Ch 7 (pdf) IASB: IAS 38 (pdf) Cotter: pp 138-149 PwC1 Ch 15 (optional) Deloitte: Ch A9 (optional)

Apr 10	<b>Guest speaker on impairment (Dr. U. Breitenstein; Partner Hoffmann &amp; Co)</b> <i>Deadline: Submission of solution to PS1</i>	
Apr 11	<b>Chapter 8 IAS 18 Revenue &amp; IAS 11 Construction Contracts</b>	Slides CH 8 (pdf) IASB: IASs 11, 18 (pdf) Cotter: pp. 116-125, 334-344 PwC1: Ch 9 (optional) Deloitte: Chs A14, A34 (optional)
Apr 17	<b>Chapter 9 IAS 17 Leases</b> <i>Distribution of PS2</i>	Slides Ch 9 (pdf) IASB: IAS 17 (pdf) Cotter: pp. 320-333 PwC1: Ch 19 (optional) Deloitte: Ch A17 (optional)
Apr 18	<b>Chapter 10 IAS 37 Provisions, contingent liabilities, and contingent assets</b>	Slides Ch 10 (pdf) IASB: IAS 37 (pdf) Cotter: pp. 225-236 PwC1: Chapter 21 (optional) Deloitte: Ch A12 (optional)
Apr 24	<b>Chapter 11 Consolidated statements &amp; Business combinations (overview only)</b>	Slides Ch 11 (pdf) IASB: IFRSs 3, 10, 11 IAS 27 (2011), IAS 28 (2011) (pdf) Cotter: pp. 237-312 PwC1: Chs 24-26 (optional) Deloitte: Chapter A 24 – A28 (optional)
Apr 25	<b>Chapter 11 (ctd)</b>	
May 1	<b>No lecture</b>	
May 2	<b>Chapter 11 (ctd)</b> <i>Deadline: submission of solution to PS2</i> <i>Distribution of PS3</i>	
May 8	<b>Teaching by PwC Licensing</b>	
May 9	<b>No lecture</b>	
May 15	<b>Chapter 12 Financial Instruments 12.1: Background: modern corporate finance 12.2: IAS 32 Financial Instruments: Presentation</b>	Slides Ch 12 (pdf) IASB: IAS 32 (pdf) PwC2: Chs 1-7 (optional)
May 16	<i>Deadline: submission of solution to PS3</i> <b>12.2 (ctd)</b> <i>Distribution of mock exam; Evaluation</i>	
May 22	<b>Teaching by PwC (Peter Eberli) 12.3 IAS 39 Financial Instruments: Recognition and Measurement</b>	Slides Ch 12 (pdf) IASB: IAS 39 (pdf) PwC2: Chs 8-10 (optional)
May 23	<b>Teaching by PwC (Peter Eberli) 12.3 (ctd)</b>	
May 29	<i>Solution to mock exam</i>	
May 30	<i>Reserve</i>	