



COURSE DESCRIPTION

1. Information about the programme

1.1 Institution of higher education	Alexandru Ioan Cuza University of Iasi
1.2 Faculty	Faculty of Economics and Business Administration
1.3 Department	Department of Finance, Money and Public Administration
1.4 Field of study	Finance
1.5 Level	Master
1.6 Study programme/ Qualification	Finance and Risk Management

2. Information about the course

2.1 Course name	Financial Reporting and Analysis						
2.2 Course coordinator	Carmen HUIAN (Assoc. Prof., PhD)						
2.3 Seminar coordinator	Carmen HUIAN (Assoc. Prof., PhD)						
2.4 Year of study	1	2.5 Semester	1	2.6 Type of assessment	E	2.7 Course status	C

* C – Compulsory / E – Elective

3. Total estimated time (hours allotted to teaching activities per semester)

3.1 Number of hours per week	3	of which: 3.2 lecture	2	3.3 seminar/lab	1
3.4 Number of hours in the curriculum	42	of which: 3.5 lecture	28	3.6 seminar/lab	14
Time distribution					hrs
Study of the textbook, coursebook, bibliography and lecture notes					32
Additional research in the library, online and on the field					10
Preparation of seminars/labs, homework, projects, portfolios and essays					23
Tutorials					14
Assessment					4
Other activities.....					
3.7 Total number of self-study hours					83
3.8 Total number of hours per semester					125
3.9 Number of credits					5

4. Prerequisites (if applicable)

4.1 Curriculum-based	Finance, Money and Credit, Statistics
4.2 Competence-based	

5. Conditions (if applicable)

5.1 For lectures	<ul style="list-style-type: none"> Attendance at lectures is strongly encouraged. Operation of cell phones and other handheld electronic devices for sending and reading text messages and e-mails, recording or other disruptive activities for fellow students and instructor is not allowed. Devices should be turned off or set to the vibrate mode before the start of the lecture.
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**5.2 For seminars / labs**

- The project is to be submitted personally to the instructor.
- Operation of cell phones and other handheld electronic devices for sending and reading text messages and e-mails, recording or other disruptive activities for fellow students and instructor is not allowed. Devices should be turned off or set to the vibrate mode before the start of the seminar.

6. Specific competencies

Professional competencies	<p>C1. Analysis of the theoretical and practical aspects of financial markets, models, instruments that are used in the management of risks.</p> <p>C2. Adequate use of mathematical and statistical concepts, methods and techniques in assessing risks and performing independent research in finance.</p> <p>C3. Evaluation of the main risk factors for organizations and financial systems.</p> <p>C4. Implementing effective financial management and reporting within the business environment to ensure value creation.</p> <p>C5. Ensuring effective and appropriate governance and management of risk within an organization, in the context of an overall ethical framework.</p>
Transversal competencies	<p>CT1. Application of the professional ethical norms and values in decision-making and undertaking of complex professional tasks, independently or within a team.</p> <p>CT2. Human resources planning within a group or organization, in the context of awareness of own responsibility for professional outcomes.</p> <p>CT3. Assuming the need for continuous development to create prerequisites for career progression and adapt own professional and managerial competencies to the economic dynamics.</p>

7. Course objectives (provided by the specific competencies grid)

7.1. Main objective	Gaining knowledge of and understanding the basic elements reported in the annual financial statements and the rules regarding their classification, recognition and measurement, identifying the general principles governing the financial reporting system, gaining knowledge of the accounting techniques used in preparing the financial statements, understanding the role played by each financial statement in the financial analysis, using financial statement information in the decision-making process.
7.2. Specific objectives	<p>On completion of the course, the students will be able to:</p> <ul style="list-style-type: none">▪ Identify business transactions that affect the financial position and performance of a company;▪ Analyze business transactions according to the rules of double entry accounting;▪ Distinguish accrual accounting based on revenues and expenses from cash accounting;▪ Translate the effect of business transactions concerning different assets and liabilities as well as revenues and expenses into a balance sheet and income statement;▪ Prepare the statement of cash flows from balance sheet and income statement items;▪ Apply the basic techniques of analyzing financial statements with ratio analysis;▪ Identify the major stakeholders involved in the production and dissemination of accounting information.



**8. Content**

8.1	Lectures	Teaching methods	Observations (hours & readings)
1.	The Economic and Institutional Setting of Financial Reporting	Lecture, discussions, exercises	2 hrs: RCJ (1), IASB (IAS1)
2.	Accrual Accounting and Income Determination	Lecture, case study, exercises	2 hrs: RCJ (2), HH (3), IASB (IAS 17)
3.	Receivables	Lecture, discussions, exercises	2 hrs: HH (5), RCJ (8), IASB (IAS 39)
4.	Inventory	Lecture, discussions, exercises	2 hrs: HH (6), RCJ (9), IASB (IAS2)
5.	Long-lived Assets and Depreciation	Lecture, problem solving	2 hrs: HH (7), RCJ (10), IASB (IAS 16, IAS 38, IAS 36)
6.	Long-term Investments	Lecture, discussions, exercises	2 hrs: HH (10), RCJ (16), IASB (IAS 39, IFRS 10)
7.	Midterm test		2 hrs
8.	Current liabilities	Lecture, discussions, exercises	2 hrs: HH (8), RCJ(11), IASB (IAS 39)
9.	Long-term liabilities	Jigsaw Method	2 hrs: HH (8), RCJ (11)
10.	Hedge Accounting	Lecture, students presentation, exercises	2 hrs: IASB (IAS 39), RCJ(11)
11.	Stockholders' Equity	Lecture, discussions, exercises	2 hrs: HH (9), RCJ(15)
12.	Income Statement and Statement of Stockholders' Equity	Lecture, discussions, case study	2 hrs: RCJ (2), FO (3), IASB
13.	Statement of Cash Flows	Lecture, discussions, case study	2 hrs: RCJ (17), FO (4), IASB (IAS 7)
14.	Essentials of Financial Statements Analysis	Lecture, discussions, case study	2 hrs: RCJ (5), FO (5)

Bibliography**Main readings:**

- Revsine, L., Collins, D., Johnson, W. B., 2008. *Financial Reporting and Analysis: International Edition*. 3rd edition. Pearson Higher Education (RCJ)
- Harrison Jr. W.T., Horngren T.C., 2008. *Financial Accounting*, 7th edition, Pearson Higher Education (HH)
- Fraser, L.M., Ormiston, A., 2013, *Understanding Financial Statements*, 10th edition, Pearson Higher Education (FO)
- IASB, International Financial Reporting Standards 2016, <http://www.ifrs.org/IFRSs/Pages/IFRS.aspx> (IASB)

Additional readings:

Other readings such as cases, simulations, journal papers, press articles will be provided periodically throughout the course via FEAA eLearning platform, e-mail or handed-in in class.





8.2	Seminars / Labs	Teaching methods	Observations (hours & readings)
1.	The Economic and Institutional Setting of Financial Reporting	Exercises (solved individually and/or in pairs)	1 hrs, RCJ (1)
2.	Accrual Accounting and Income Determination	Exercises (solved individually and/or in pairs)	1 hrs , RCJ (2), HH (3)
3.	Receivables	Exercises (solved individually and/or in pairs)	1 hrs , HH (5), RCJ (8)
4.	Inventory	Exercises (solved individually and/or in pairs)	1 hrs , HH (6), RCJ (9)
5.	Long-lived Assets and Depreciation	Problem solving	1 hrs , HH (7), RCJ (10)
6.	Long-term Investments	Exercises (solved individually and/or in pairs)	1 hrs , HH (10), RCJ (16)
7.	Current liabilities	Exercises (solved individually and/or in pairs)	1 hrs , HH (8), RCJ (11)
8.	Current liabilities	Exercises (solved individually and/or in pairs)	1 hrs , HH (8), RCJ (11)
9.	Long-term liabilities	Jigsaw Method	1 hrs , HH (8), RCJ (11)
10.	Hedge Accounting	Students presentation	1 hrs , RCJ (11)
11.	Stockholders' Equity	Exercises (solved individually and/or in pairs)	1 hrs , HH (9), RCJ (15)
12.	Income Statement and Statement of Stockholders' Equity	Case study	1 hrs , RCJ (2), FO (3)
13.	Statement of Cash Flows	Case study	1 hrs , RCJ (17), FO (4)
14.	Essentials of Financial Statements Analysis	Case study	1 hrs , RCJ (5), FO (5)



**Bibliography**

- Revsine, L., Collins, D., Johnson, W. B., 2008. *Financial Reporting and Analysis: International Edition*. 3rd edition. Pearson Higher Education (RCJ)
- Harrison Jr. W.T., Horngren T.C., 2008. *Financial Accounting*, 7th edition, Pearson Higher Education (HH)
- Fraser, L.M., Ormiston, A., 2013, *Understanding Financial Statements*, 10th edition, Pearson Higher Education (FO)
- IASB, International Financial Reporting Standards 2016, <http://www.ifrs.org/IFRSs/Pages/IFRS.aspx> (IASB)

Other readings such as cases, simulations, journal papers, press articles will be provided periodically throughout the course via FEAA eLearning platform, e-mail or handed-in in class.

9. Corroboration of the course content with the expectations of community representatives, professional associations and representative employers from the programme's related field

This course provides students with the core knowledge, skills, and abilities that are generally accepted and applied by finance and investments professionals throughout the world. Topics are selected in accordance to the requirements of Chartered Financial Analyst (CFA) and Professional Risk Manager (PRM) world-leading certifications for finance and risk management, to offer the adequate preparation for CFA and PRM exams.

The course content is correlated to that of similar courses taught at renowned universities (such as Financial Accounting and Introduction to Financial Reporting at the University of Groningen, Netherlands) and is continuously updated based on the feedback of students and alumni.

Moreover, this is a student-centered course that follows the best practices of learning and teaching in undergraduate education through the adoption of a variety of active-learning instructional methods.

10. Assessment

Type of activity	10.1 Assessment criteria (based on the course learning objectives)	10.2 Assessment methods	10.3 Weight in final grade (%)
10.1 Lectures	<ul style="list-style-type: none">▪ Clarity of explanation of the role and the functions of financial reporting▪ Clarity of description of the methods for recognition and measurement of assets, revenues and expenses▪ Accuracy of application of the accounting treatments related to assets, revenues and expenses	Midterm test (multiple-choice, exercises)	35%
10.2 Seminars/ Labs	<ul style="list-style-type: none">▪ Clarity of description of the theoretical determinants of the level and term structure of interest rates▪ Accuracy of application of the accounting treatments related to liabilities, equity, revenues and expenses and to the preparation on the financial statements▪ Depth of analysis of the information provided by the annual financial statements	Final exam (multiple-choice, exercises)	50%





	<ul style="list-style-type: none">▪ Accuracy of reading and interpreting the accounting information reported by a company in its financial statements regarding its assets, liabilities, equity, revenues and expenses▪ Quality of work in a team of students▪ Clarity of speech and ideas and quality of the presentation of the essay	Team project (analysis of the financial statement information of a company, submitted at a specified deadline and an essay orally presented for 10 min in front of peers and instructor)	15%
10.6 Minimum performance standard			
<ul style="list-style-type: none">▪ Demonstration of the ability to identify and account for the structures of the financial statements, to analyze and interpret information provided by the financial statements and to properly use this information in the decision-making process.▪ Correct answers provided to at least half of questions and exercises in the final written examination.▪ A minimum passing grade of 5, computed as $P = M \times 0.35 + TP \times 0.15 + E \times 0.5$, where P – final grade, M – midterm test grade, HA – homework assignments grade, E – final exam grade.			

Date
14.09.2020

Course Coordinator
Assoc. Prof. Carmen HUIAN

Seminar Coordinator
Assoc. Prof. Carmen HUIAN

Date of approval
23.09.2020

Head of Department
Prof. Ovidiu Stoica

