



**HvA International Business School**  
Amsterdam University of Applied Sciences

# International Financial Accounting

<b>Author(s)</b>	Sven Carlin, Jalal Mrabti	
<b>Programme Manager</b>	John Sterk Wil Hazelhof	Director IBMS and TMA Director IBL
<b>Module ID</b>	To be added later	
<b>Academic Year</b>	2016 - 2017	
<b>EC</b>	5	
<b>Contact hours</b>	38	
<b>Course site</b>	<a href="https://dlwo.dem.hva.nl">https://dlwo.dem.hva.nl</a>	

# Contents

- 1. Module overview 4
  - 1.1 Content.....4
  - 1.2 Learning goals.....4
  - 1.3 Coherence with other modules.....5
  - 1.4 Study materials & recommended further reading.....5
  - 1.5 Questions and who to contact .....6
  
- 2. Set-up of this module 7
  - 2.1 Teaching methodology.....7
  - 2.2 Assignments .....7
  - 2.3 Exam .....8
  - 2.4 Assessment.....8
  - 2.5 Resit.....8
  - 2.6 General regulations.....9
  - 2.7 Lesson plan.....9
  
- Appendix 1: Relationship with your programme’s profile competencies 10
  
- Appendix 2: Assessment model(s) 12



## 1. Module overview

Being a reactive service financial reporting and accounting is constantly changing and developing. Due to globalisation businesses are more and more international which makes them operate in various accounting jurisdictions. From 2005, the International Accounting Standards Board (IASB) is becoming the generally accepted regulator on an international level and is constantly smoothing out differences with the Financial Accounting Standards Board (FASB) and the General Accepted Accounting Principles (GAAP). The intention of this course is to give you the necessary level of international accounting knowledge that will allow you to easily navigate the intricate and constantly changing seas of international and national accounting rules, regulations, applications while having a critical understanding of issues and alternatives, of the whys and wherefores.

With such breadth and depth you will be able to prepare and analyse financial reports based on the latest accounting standards. In relation to financial analysis this course will give you the understanding of the accounting background for financial ratios calculation, enabling you to accurately assess the accounting integrity of every financial analysis.

This guide gives you an overview of International Financial Accounting. More detailed information can be found on the DLWO (<https://dlwo.dem.hva.nl>)

### 1.1 Content

The module is structured in a way that it starts by analysing the framework, theory and regulation related to international reporting and international accounting differences. After the basics have been conquered, detailed analysis of issues related to financial statements is discussed from fixed and intangible assets, impairment and disposal of those, leases, inventories, provisions, taxes, employee benefits, cash flow to disclosure issues. The following step is related to international group accounting and consolidation where through the analysis of business combinations, consolidation techniques and foreign currency translation methods the course gives the necessary tools for the application of the previously learned in an international accounting environment. The module ends with an accounting perspective on the interpretation of financial statements and techniques of financial analysis.

### 1.2 Learning goals

#	You can:
1.	Perform accounting duties based on financial reporting standards in an international environment
2.	Justify the use of different accounting valuation techniques from current, historical to fair value
3.	Distinguish the international accounting whys and wherefores based on accounting theory, conceptual frameworks and accounting culture
4.	Discuss the limitations of financial ratios based on accounting principles



#	You can:
5.	Judge the effects of various accounting techniques related to fixed tangible assets, intangible assets, leases, inventories, financial instruments, revenue, provisions, contingent liabilities and assets, deferred taxes, employee benefits and disclosure issues on financial analysis and the financial sustainability of the company.
6.	Estimate the impact of various financial statements consolidation techniques on financial reporting
7.	Use different foreign currency translation techniques and assess financial statements from different translation perspectives
8.	Make forecasts based on and appraisals of financial statements
9.	Create own opinion about the financial and accounting implications of various managerial decisions

Appendix 1 defines the relationship of the learning goals within this module with your programme's profile competences.

### 1.3 Coherence with other modules

Accounting is the essential basis that enables the effectuation and application of financial risk management techniques, management control and investment analysis. Thus the International Financial Accounting module (IFA) is a perfect match for the International Finance and Control Minor as it gives the necessary basics and understanding that enables you to follow related modules. The ability to critically assess financial statements and reporting is essential to perform financial risk management, whereas accounting provides the necessary tools for internal risk analysis. IFA also provides the necessary foundation for the module Investment analysis as fundamental investment analysis techniques are based on financial statement apprehension. The potential legal and illegal financial data manipulation in accounting and in financial statements disclosure is essential for the understanding of social and behavioural issues related to finance. A great example of this was the 2009 financial crisis.

### 1.4 Study materials & recommended further reading

Required study materials:

Study books					
Title	Author(s)	Publisher	Year	Edition	ISBN
<b>International Financial Reporting and Analysis</b>	Alexander D., Britton A., Jorissen A., Hoogendoorn M., Mourik van C.	Cengage learning	2014	Sixth	978-1- 4080- 7501-2



<b>Other study materials</b>		
<b>Title</b>	<b>Author(s)</b>	<b>Where to find this material?</b>
<b>Lectures</b>	Sven Carlin	On the school's intranet (DLWO)
<b>Study material</b>	Sven Carlin	On the school's intranet (DLWO)
<b>A Real Value Risk Model for an Emerging Market</b>	Sven Carlin	<a href="http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2553858">http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2553858</a>

### 1.5 Questions and who to contact

Questions about the module's content and study materials can be addressed to your lecturer(s) during the lessons. The consultation hours of the individual lecturers as well as their office location can be found in the lecturers' profile on the DLWO.

## 2. Set-up of this module

### 2.1 Teaching methodology

The IFA module is set up in a way that connects individual and group learning, lectures and assisted applied practice. The course is taught in one semester and each lecture of three hours is divided into a theoretical part that combines lecturing, peer instruction and discussion, followed by an applied accounting techniques part. The self study part relates to the group assignment where you apply the learned techniques and concepts in a real international business environment. The expectation is that you read the content in the study materials before attending class in order to enhance the understanding of complex accounting principles. After the lecture you are expected to apply the theory and use the tools in the analysis and evaluation of an international business and formulate a critical opinion on the accounting policies of your selected business. The findings should be presented in the written group assignment.

### 2.2 Assignments

#### **Group report – 30%**

Detailed assignment instructions are going to be provided on the DLWO course site prior to lectures commencing. But you can expect to be involved in a group research with a specified topic that includes the following steps:

1. Make a group of 5 students and have each student choose a company to analyze, better if from the same sector. The individual company analysis part can be assessed individually in order to prevent students from not contributing to the group assignment.
2. Assign a team leader who will be responsible for allocating tasks. The team leader has to keep a table of presence and contribution of individual students at team meetings.
3. Your group is supposed to meet on a weekly basis, discuss the findings and decide if they are relevant for inclusion in the report.
4. The findings should be included in a comparative analysis paper of 10 to 15 pages
5. The report should use at least 15 various sources about the accounting topics. The sources should be shared amongst other members of the group.
6. Draft deadline: In lecture week 8
7. Final paper deadline: In lecture week 10
8. In class presentation of findings in lecture weeks 11 and 12
9. For further questions contact your lecturer.

#### Grading

The grading will be done according to the grading rubric in appendix 2 of this document. You should look into causes and effects of accounting policies used by the companies and come up with argumentative opinions about accounting policies used by companies in an international environment. The report is 30% of the total grade for the course International financial accounting. (exam 70%)

The group will receive written feedback on the draft and on the final paper. There will be one group grade, with consideration of the school's free riding rules.



The assessment model for the assignment can be found in Appendix 2

## 2.3 Exam

### Written exam – 70%

The exam makes 70% of the total IFA module grade. You have 2 hours to successfully finish the exam. The content covered in the exam and the methodology used will be explained in class.

An HvA calculator will be provided to you at the exam. Please use the same or a similar scientific calculator when you practice.

## 2.4 Assessment

The assessment methods used in this module are summarised below. The table also shows how the grade for this module will be calculated.

#	Description	Form	Learning goal(s) #	Lecture week	Weight (%)
1	IFA assignment	Report	3,8,9	10	30%
2	IFA exam	Written test	1,2,4,5,6,7	After completion of all lectures	70%
3					
4					
5					
6					
					100%

## 2.5 Resit

If the average grade obtained for this module is below 5.5 you must do a resit. Which resit(s) you must do depends on which part(s) is/were insufficient. The different situations are illustrated in the table below.

Situation:	The resit will consist of the following test(s):	Your average module grade after resit will be calculated using the following weights:	The resit(s) will be scheduled in:
1 • Average grade for the whole module $\geq 5.5$	No resit needed	N.A.	N.A.





Situation:	The resit will consist of the following test(s):	Your average module grade after resit will be calculated using the following weights:	The resit(s) will be scheduled in:
2 <ul style="list-style-type: none"> <li>Average grade for the whole module &lt; 5.5</li> </ul>	Written exam  AND  No resit for the report (grade will stand)	Grade for the resit exam = 70%  +  Grade that was already obtained on the report = 30%	Allocated SEM resit period (will be filled in by O&K)

## 2.6 General regulations

- 1 You are required to prepare for lessons and attend classes. If you come to class unprepared, the lecturer has the right to deny you access to the lesson. What is requested of you in terms of lesson preparation is stated below and/or on the DLWO for this module.
- 2 You are required to bring the study book to class as many examples are going to be explained from it.
- 3 The assignments will not be graded if the level of English is inadequate.

## 2.7 Lesson plan

Lecture week	Prepare for lesson 1	Lesson 1	Activities	No. Of Pages
1	Read chapters 2,5,6,8	Chapters 2,5,6,8	Form assignment groups	19,10,10,10
2	Read chapters 9,12	Chapters 9,12		35,15
3	Read chapters 13,14	Chapters 13,14		30,15
4	Read chapters 15,16	Chapters 15,16		20,20
5	Read chapters 17,18,	Chapters 17,18,		25,35,
6	Read chapters 19,20	Chapters 19,20		13,15
7	Read chapters 21,22	Chapters 21,22		20,40
8	Read chapters 26,27,28	Chapters 26,27,28	Assignment draft deadline	15,20,10
9	Read chapter 30	Chapters 30		25
10	Read chapter 31	Chapters 31	Final paper deadline	40
11		Presentations and Q&A	In class presentations	
12		Presentations and Q&A	In class presentations	



## Appendix 1: Relationship with your programme's profile competencies

LG	You can:
1.	Perform accounting duties based on financial reporting standards in an international environment
2.	Justify the use of different accounting valuation techniques from current, historical to fair value
3.	Distinguish the international accounting whys and wherefores based on accounting theory, conceptual frameworks and accounting culture
4.	Discuss the limitations of financial ratios based on accounting principles
5.	Judge the effects of various accounting techniques related to fixed tangible assets, intangible assets, leases, inventories, financial instruments, revenue, provisions, contingent liabilities and assets, deferred taxes, employee benefits and disclosure issues on financial analysis
6.	Estimate the impact of various financial statements consolidation techniques on financial reporting
7.	Use different foreign currency translation techniques and assess financial statements from different translation perspectives
8.	Make forecasts based on and appraisals of financial statements
9.	Create own opinion about the financial and accounting implications of various managerial decisions

LG	IBMS Profile Competencies	Level
1.	<b>International business awareness</b> – through learning goal (LG) 1 develop and fine tune the ability to outline, evaluate and create financial statements in and for different international environments	3
2.	<b>Business Processes &amp; change management</b> – the international financial accounting environment is constantly changing and LG 2 enhances the ability to make decisions in such an environment	3
3.	<b>International Strategic Vision Development</b> – a different strategy has to be implemented in relation to different accounting environments and the ability to distinguish the accounting why and wherefores add value to your ability to make strategic decisions	3
4.	<b>Business Communication</b> – accounting is unfortunately still an evolving and thus limited service. The ability to clearly communicate and elaborate accounting concepts is essential	3
5.	<b>Ethical and corporate responsibility</b> is an essential competency developed by the ability to judge the effects of various accounting techniques on the company and also the broader environment.	3
6.	<b>International Finance and accounting</b> – by estimating the impact of various accounting techniques on the financial statements you will have the ability to contribute to and evaluate key accounting summaries	3
7.	<b>International Finance and accounting</b> – you will develop the ability to perform a variety of cost and revenue calculations and to transform these data into information needed for decision making and the budgeting process	3
8.	<b>International Finance and accounting</b> – LG 8 gives you the ability to evaluate investment opportunities, to contribute to the assessment of long-term and short-term debt and equity financing and to contribute to managing financial risks	3

9.	<b>Business research methods</b> – LG 9 – through the applied analysis on financial markets and financial reports develop business research methods that enable the financial evaluation of a business	3
----	--	---

## Appendix 2: Assessment model(s)

### Assignment:

The student will be assessed by using the following rubric.

CRITERIA & WEIGHT	GRADE			Score	Comments
	10-8: outstanding to good	7-6: reasonable to passable	5-1: fail		
<b>Introduction</b> (10%)	The introduction provides a clear situational background, the reason for the report, and questions to be answered in the case.	The introduction provides a brief situational background and questions to be answered in the case.	The introduction does not provide a clear situational background and only obvious case questions are mentioned.		
<b>Body</b> (60%)	Case analysis based on the theory discussed in the textbook, but also with the help of other sources. Assumptions have been made based on credible sources.	Case analysis based on the theory discussed in the textbook. Assumptions have been made based only on the theory discussed in the textbook.	Case analysis based on assumptions which are not based on any theory discussed in the textbook, nor any other credible source.		
<b>Conclusion</b> (30%)	Clear answers to questions have been provided, based on logical and valid argumentation.	Clear but brief answers to the questions have been provided.	Answers have been provided that lack a logical argumentation and that are not based on a proper analysis of the case.		
<b>English*</b> Prerequisite	The assignment is written in clear, concise and correct Business English				
<b>Layout &amp; Style*</b> Prerequisite	According to the IBS guidelines described in the document 'Reporting - Guidelines for writing and styling business reports'				
<b>Individual contribution#</b>	The student shows in the report, presentation and through peer assessment that the individual contribution to the report is satisfactory.				
<p><b>* These criteria will not be graded, but if missing or incomplete, the assignment will be rejected.</b></p> <p><b># If the peer assessment form clearly shows that a student did not equally contribute to the report and is not able to defend his/her contribution in the presentation his/her group grade for the assignment might be revoked.</b></p>					