



PERSONA CIENCIA EMPRESA

UNIVERSITAT RAMON LLULL

|                             |  |
|-----------------------------|--|
| <b>Code:</b>                | 81102  |
| <b>Name of the subject:</b> | International Accounting Standards: IAS/IFRS |

### GENERAL CHARACTERISTICS

|                          |  |
|--------------------------|--|
| <b>Number of credits</b> | 6.0  |
| <b>ECTS:</b>             |  |
| <b>Language/s</b>        | Catalan<br>Spanish<br>English                      |
| <b>Type</b>              | Normal   |
| <b>Professor/s</b>       | Rodríguez Pérez, Gonzalo<br>Castillo Merino, David |

### DESCRIPTION

#### BRIEF DESCRIPTION AND JUSTIFICATION

We are currently experiencing a process of significant change in the way financial companies prepare and submit financial information in European Union (EU) countries. The publication in the Official Journal of the European Union of International Accounting Standards and International Financial Reporting Standards (IAS / IFRS) on 13 October 2003 (Regulation 1725/2003) was the starting point for the new accounting framework For the societies of the European Union.

All these changes are due to differences in the accounting standards of the different EU countries, which made it difficult to compare the information published by companies in these countries. The use of international standards allows European companies to compete for the global capital market on an equal footing.

As a general rule, as from 1 January 2005, groups of companies formulate their consolidated annual accounts in accordance with IAS / IFRS adopted by the EU if any of the companies that make up the group have issued securities admitted to trading on a market Regulated in any Member State. And also since 1 January 2005, the application of international accounting regulations is optional by unlisted companies located in the Spanish State that are required to prepare consolidated annual accounts. This convergence of the rules to be applied by companies for the preparation and publication of their companies' financial statements to international accounting standards transcends the geographical scope of the EU and is a global process of normative homogenization. Indeed, IAS / IFRSs have already been adopted in many countries on five continents, such as China, Australia, Switzerland, Uruguay, Colombia or Egypt, with different areas of application (for the preparation of consolidated annual accounts Groups, as in the EU, or in general to the individual and consolidated annual accounts of all companies). In many other countries, accounting regulations are in the process of adapting to international standards, or

convergence, in which the bodies that issue accounting regulation discuss and negotiate how to adapt both regulations in order to eliminate inconsistencies between the two.

In this subject we are going to study the most relevant aspects of IAS / IFRS. These standards define new patterns of accounting performance for European companies, drawing a new perspective on everything related to the financial information to be provided by companies.

## COMPETENCIES

As a consequence of the acquisition of the contents of the subject, the student will be able to:

CT1. Predict and control the evolution of complex situations through the development of new and innovative working methodologies adapted to their professional field.

EC1. Correctly formulate the accounting information provided by companies and business groups in their annual accounts, based on an understanding of the accounting regulations.

## PREREQUISITES

Requirements legally established to access postgraduate programs:

Degrees in the field of social sciences.

## CONTENTS

1. The IAS / IFRS Conceptual Framework
  - 1.1. The Accounting Reform in the European Union
  - 1.2. Definition and content of the IAS / IFRS Conceptual Framework
2. The financial statements: purpose, components and scope
  - 2.1. General rules for the presentation of financial statements
  - 2.2. The Balance Sheet: content and format
  - 2.3. The income statement: content and format
  - 2.4. Statement of changes in net worth: content and format
  - 2.5. Cash Flow Statement: Content and Format
  - 2.6. The Notes to the Financial Statements: content and format
3. Non-current assets
  - 3.1. Immobilized material
  - 3.2. Investment Property
  - 3.3. Intangible assets
4. Current assets
  - 4.1. Non-current assets held for sale
  - 4.2. Stocks
5. Financial assets and liabilities
  - 5.1. Financial assets
  - 5.2. Financial liabilities
  - 5.3. Financial instruments: disclosures

## 6. Leases. Provisions and contingencies

### 6.1. Leases

### 6.2. Provisions and contingencies

## 7. Income and expenditure

### 7.1. Ordinary income

### 7.2. Subsidies

### 7.3. Expenses. Employee remuneration

## 8. Accounting policies, estimates and accounting errors. Events after the balance sheet date

### 8.1. Selection and application of accounting policies

### 8.2. Accounting treatment of changes in accounting policies

### 8.3. Accounting treatment of changes in accounting estimates

### 8.4. Accounting treatment of error correction

### 8.5. Events after the balance sheet date

## 9. First-time adoption of IFRS

### 9.1. Recognition and evaluation

### 9.2. Presentation and disclosures

## METHODOLOGY

### TRAINING ACTIVITIES:

| Training activities                             | ECTS Credits | Competencies    |
|---|--------------|-----------------|
| Lectures presenting concepts and procedures     | 1            | CT1, CE1        |
| Practical sessions (exercises, case resolution) | 1            | CT1, CE1        |
| Assignments by Students                         | 1.5          | CT1, CE1        |
| Seminars or tutorials                           | 0.5          | CT1, CE1        |
| Personal study activities                       | 1.5          | CT1, CE1        |
| Assessment sessions                             | 0.5          | CT1, CE1        |
| Internship in Company                           |              |                 |
| <b>TOTAL</b>                                    | <b>6</b>     | <b>CT1, CE1</b> |

### EXPLANATION OF TEACHING METHODOLOGY

The pedagogical model is based on an active effort (preparation before class, active effort to solve a problem) and good class participation of all the students. In a world of rapidly changing demands, the needs of organizations and of its members are continuously evolving. New business scenes are appearing with the development of information technologies and social networks. In this context, there are skills and abilities that improve the probabilities for university graduates to succeed in a future job.

The development of these abilities requires important changes in the traditional pedagogical methods. In order to develop these skills, students must actively participate in the learning process. Students have their own values and concepts and the learning process at the university represents an opportunity to reflect on everything what has been learnt before. It offers an opportunity to learn more about it and to discuss it critically.

To achieve these objectives, the course has been designed with an active methodology that allows you to learn, think and be creative. We will actively work on real cases in order to apply the theoretical concepts explained in each topic and to learn by doing exercises and solving problems in our subject's field.

It is highly recommended that students prepare each class by studying the corresponding notes and solving by their own the cases and exercises, so they can early identify hurdles and misgivings to be clarify in class.

## EVALUATION

### METHODS OF EVALUATION

| Evaluation Methods                       | Weight | Competencies |
|--|--------|--------------|
| Final exam                               | 20%    | CT1, CE1     |
| Partial exams                            | 25%    | CT1, CE1     |
| Following up activities                  | 45%    | CT1, CE1     |
| Homework and presentations               | 10%    | CT1, CE1     |
| Experimental work or fieldwork           |        |              |
| Projects                                 |        |              |
| Evaluation of the company or institution |        |              |
| Participation                            |        |              |

### LEARNING OUTCOMES

At the end of the course the student should be able to:

- Understand the process of adoption of international standards by the EU.
- Know the IAS / IFRS adopted by the EU and the aspects they regulate.
- Understand the content of the conceptual framework of international accounting standards.
- Learn to apply the registration and valuation criteria of the different business operations in accordance with IAS / IFRS.
- Learn how to prepare the business financial statements under IAS / IFRS.
- Know how to read and interpret the financial information contained in the financial statements.

## EVALUATION

The final grade of the course responds to criteria of continuous evaluation and will be the result of applying the following percentages: 20% for the grade obtained in the final exam, 25% for the grade of the partial exams, 45% for the grade obtained in Follow-up tests (continuous assessment) and 10% for delivery of class exercises.

## EVALUATION OF COMPETENCIES

In all the evaluation activities of the subject, the transversal competence of adaptation to change and the specific formulation of accounting information are evaluated, in which the students must be able to account and prepare the annual accounts according to the norm IAS / IFRS. Adapt to the modifications of this regulation.

## **BIBLIOGRAPHY**

### **Bibliography**

- **Castillo-Merino, D. y Rodríguez-Pérez, G.** (2017). *Normas Internacionales de Información Financera: NIC-NIIF*. Barcelona: IQS.
  
- **KPMG** (2012). *Las NIIF comentadas*. Madrid: Editorial Thomson Reuters Aranzadi.

## **DOCUMENT RECORD**

## **PREVIOUS CHANGES**

## **LAST REVISION**

September 04th, 2017, David Castillo-Merino, PhD