****



**Corporate Accounting & Reporting - II**

**ACC 2708**

**2020 Semester 1**

 **Professor Srini Sankaraguruswamy Professor Chua Kim Chiu**

 **BIZ 1 #07-34 BIZ 1 #07-18**

 **6516-4473 (voice) 6516-8227 (voice)**

 **Email:** **bizsrini@nus.edu.sg** **Email:** **kcchua@nus.edu.sg**

**Class Meetings**

**Wednesday 3 to 6 (BIZ 2-510) Wednesday 3 to 6 (BIZ1-0201)**

**Thursday 3 to 6 (BIZ1-0201) Thursday 12 to 3 (BIZ1-0205)**

**Friday 3 to 6 (BIZ1-0205) Thursday 3 to 6 (BIZ1-0205)**

**Description**

The course stresses the theory and practice of recording and analyzing financial instruments, liabilities (including deferred tax and lease liabilities) and shareholders’ equity (including share-based compensations) in firms’ financial statements, together with a topic on earnings per share. The perspective of the course is that of preparers (financial accountants) and auditors of financial statements.

**Course Objectives**

After taking this course, you should:

* Have a broad view of the role of liabilities and shareholders’ equity and the capital structure of a firm.
* Understand the differences between liabilities and equity and how to account for each type of instrument in an issuer’s books.
* Know how to identify, classify, account for, and report financial instruments on the income statement and balance sheet.
* Know how to account for leases, income taxes and share-based payments and calculate earnings per share.

**Class Notes**

Class notes will be posted on LUMINUS. Relevant readings like articles and financial statements that will be discussed in class, will be posted on LUMINUS.

**Text book**

***Required Text* (*available from the COOP*)**

We will follow the text books closely. Please get the text book and practise the questions at the end of the book.

Part 1 is an E-book which has several chapters from the following book: Intermediate Accounting: Global Edition 2, by Spiceland, Nelson, Thomas, Tan, Low, and Low. McGrawHill.

Part 2 is a physical book: Advanced Financial Accounting: An IFRS Standards Approach, by Pearl Tan, Lim Chu Yeong, Kuah Ee Wen 4E. McGrawHill, 2020.

**Useful Websites**

Singapore Financial Reporting Standards (International) [SFRS(I)] and Financial Reporting Standards [FRS] are often referred to in lectures. They are issued by the Accounting Standards Council (ASC) and are available at <https://www.asc.gov.sg>.

**Group projects**

There will be a group project on a real-life corporate case relating to financial instruments. Students from the same sectional class will be randomly allocated to groups of five students (or six to absorb the remaining students insufficient to form a group of five). This is to enable students to apply what they learn, to get to know more classmates and to experience team-work similar to that in a corporate environment where professionals have to collaborate with clients or colleagues they may not know well.

**Mid-term and Final exams**

There will be one Mid-term and one Final for the course. The mid-term will cover material prior to the mid-term and the final will cover **all** topics covered in the syllabus.

**Dates for Mid-term and Final exams**

**Mid-term Exam 3rd October Saturday (5 to 8 pm)**

**Final Exam Determined by RO**

**Weights on assessment**

Mid-term exam 25%

Class participation 10%

Group Project 15%

Final exam 50%

**Policy on Class Attendance**

Students are responsible for adhering to all course procedures and policies, including class attendance, set down by an instructor for the successful completion of a course; absence from class for whatever reason carries with it the obligation of making up missed work.

**Class Schedule**

|  |  |  |
| --- | --- | --- |
| Week  | Faculty | Topic  |
| 1  | Srini | Current Liabilities, Provisions and Contingencies |
| 2  | Srini | Non-Current Liabilities |
| 3  | Srini | Leases – Lessee accounting |
| 4  | Srini | Leases – Lessor accounting |
| 5  | Srini | Deferred Taxes – 1 |
| 6  | Srini | Deferred Taxes – 1I |
| 7  | KCC | Financial Instruments – Presentation |
| 8  | KCC | Financial Instruments – Classification and Measurement |
| 9  | KCC | Derivatives and Hedge Accounting |
| 10  | KCC | Impairment and Expected Credit Loss (ECL) |
| 11  | Srini | Share-based Compensation |
| 12  | Srini | Employee Benefits |
| 13  | Srini | Earnings per share |

**Assignments for Weeks 7-10**

A *tentative* schedule of assignments for Weeks 7-10 is attached. Any changes will be announced on LumiNUS.

**Weeks 7 to 10 (30 Sep to 22 Oct 2020)**

Readings, concept questions and problems are from Tan, Lim and Kuah, *Advanced Financial Accounting,* **4th** Edition, McGraw Hill, **2020**.

|  |  |  |  |
| --- | --- | --- | --- |
| **Week** | **Topic** | **Readings and references** | **Concept questions and problems** |
| 7 | Financial instruments presentation (classification as equity or a liability)Group project briefing | * Chapter 9, Financial Instruments, pages 789-810.

Reference:* SFRS(I) 1-32, *Financial Instruments: Presentation*, paras 1-16, 28-50, AG13-AG14D, AG20-AG26, AG30-AG37
 | CQ9.1CQ9.4P9.1P9.2 |
| 8 | Financial instruments classification and measurement  | * Chapter 9, Financial Instruments, pages 810-839; 855-856.
* *IFRS 9 Project Summary*, IFRS (July 2014), pages 1-12

References:* SFRS(I) 9, *Financial Instruments*:
* Chapter 4 Classification
* Chapter 5 Measurement (excluding 5.5 Impairment)
* Appendix A: Defined terms
 | CQ9.6CQ9.8CQ9.9CQ9.12P9.5P9.8 |
| 9 | Derivatives and hedge accounting | * Chapter 10, Accounting for Derivatives and Hedge Accounting, pages 879-977.
* *IFRS 9 Project Summary*, IFRS (July 2014), pages 23-28

References:* SFRS(I) 9, Financial Instruments:
* Chapter 6 Hedge accounting
* Appendix A: Defined terms
 | CQ10.4CQ10.7Practice problems will be issued in due course |
| 10 | Impairment and expected credit loss (ECL) | * Chapter 9, Financial Instruments, pages 839-977.
* *IFRS 9 Project Summary,* IFRS (July 2014), pages 13-22

References:* SFRS(I) 9, *Financial Instruments*:
* Chapter 5.5 Impairment
* Appendix A: Defined terms
 | CQ9.13CQ9.14P9.15P9.17 |