



## PROGRAMME IN BUSINESS AND ECONOMICS

### **EKF112 Financial Accounting, 8 credits**

Externredovisning, 8 högskolepoäng

*First Cycle*

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#### **Confirmation**

This course syllabus was confirmed by Programme in Business and Economics (ICU) on 2022-11-03 and was last revised on 2023-05-11 to be valid from 2023-08-28, autumn semester of 2023.

*Field of education:* Social Sciences 100%

*Department:* Programme in Business and Economics

*Other participating department*

Department of Business Administration

#### **Position in the educational system**

The course is offered in the first cycle and is included in the first semester of the Bachelor's Programme in Business and Economics. It is not offered as a single-subject course.

The course can be part of the following programme: 1) Bachelor's Programme in Business and Economics (S1EKA)

#### *Main field of studies*

Business Administration

Financial Economics

#### *Specialization*

G1N, First cycle, has only upper-secondary level entry requirements

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#### **Entry requirements**

General entrance requirements for university studies and the Swedish upper secondary courses English 6, Mathematics 3b/3c, Civics 1b/1a1+1a2 or equivalent.

## Learning outcomes

On successful completion of the course the student will be able to:

### *Knowledge and understanding*

1. Demonstrate knowledge and understanding of the basic techniques (double-entry bookkeeping) and key concepts of accounting including the function of accounts, debits and credits, and their relation to income statements, balance sheets and statements of cash flows.
2. Demonstrate knowledge and understanding of the relation between economic transactions and financial statements.
3. Demonstrate basic knowledge and understanding of the reporting context, including existing regulation and actors involved in financial accounting.

### *Competence and skills*

4. Prepare basic financial statements and apply rules and regulations to specific transactions.

### *Judgement and approach*

5. Analyse and reflect on financial statements from different user perspectives.

## Course content

Accounting is the language of business, describing economic phenomena in numbers and text. Financial accounting, specifically, focuses on providing useful information to stakeholders — primarily capital providers — that are external to the firm. In the course, participants receive an introduction to the issues that arise in going from economic phenomena to useful information. The course has three main parts: concepts, techniques, and context.

**Technique** — In this part, course participants learn the logic of accounts, journal entries, debit and credit, accruals, and the three primary financial statements: income statement, balance sheet, and statement of cash flows. Participants are exposed to the process from transactions in a firm through the reporting system to the primary financial statements, thereby learning how to produce basic reports. This part of the course gives a rudimentary understanding of the relationship between the three primary financial statements.

**Concepts** — Course participants learn the economic concepts behind the three primary financial statements, and how these concepts relate to the preparation of the statements. Examples from different reporting items are provided, for example inventory, tangible

and intangible assets, provisions, and revenue recognition. This part of the course gives the insight that there is not one single way to account for a specific transaction, but that both regulators and firms have choices.

**Context** — Financial statements affect economic relations between firms and external stakeholders. The information asymmetry between the two parties creates the need for disclosure of financial accounting. In this course, a regional perspective is taken, with a focus on accounting regulation in Europe (specifically the European Union, EU), and, to a limited extent, the United States. The course refers to International Financial Reporting Standards (IFRS), and the way they are embedded in an EU regulatory framework.

The three parts are interrelated, and course participants learn the nature of these relations.

### **Form of teaching**

Lectures, lessons, labs, videos, case studies, and a seminar. The seminar is compulsory.

*Language of instruction:* English

### **Assessment**

Learning outcome 1 is assessed via a written examination completed individually.

Learning outcomes 2 and 3 are assessed via a written examination completed individually, and seminar participation.

Learning outcome 4 is examined via a group case assignment.

Learning outcome 5 is examined via a group case assignment and discussed in a seminar.

In addition to the compulsory written examination, there are non-compulsory assignments, such as tests, that prepares students for the written examination and provide them with the opportunity of earning extra points. Students can only participate in the non-compulsory assignments and earn extra points during the semester that they are registered in the course.

Due to resource limitations, the case assignments including the seminar discussion, can only be completed during the course. Students who do not participate in the case assignments are provided with the opportunity to take the examination the next time the course is offered.

Absence from compulsory elements of the course can be substituted with alternative assignments.

Individual take-home assignments and exams shall be written individually, cooperation in formulating text, tables, figures, etc., is not allowed.

If a student who has twice received a failing grade for the same examination component wishes to change examiner ahead of the next examination session, such a request should be made to the department in writing and should be approved by the department unless there are special reasons to the contrary (Chapter 6 Section 22 of the Higher Education Ordinance). If a student has received a recommendation from the University of Gothenburg for study support for students with disabilities, the examiner may, where it is compatible with the learning outcomes of the course and provided that no unreasonable resources are required, decide to allow the student to sit an adjusted exam or alternative form of assessment. In the event that a course has ceased or undergone major changes, students are to be guaranteed at least three examination sessions (including the ordinary examination session) over a period of at least one year, but no more than two years after the course has ceased/been changed.

### **Grades**

The grading scale comprises: Excellent (A), Very good (B), Good (C), Satisfactory (D), Sufficient (E) and Fail (F).

To obtain a passing course grade, students must receive a passing grade on the individual written examination and the two case assignments including the seminar. To determine the final grade, points from the non-compulsory assignments are combined with the points received from the compulsory examinations. Any points earned from the non-compulsory assignments are only valid during the current semester (initial exam and two re- exams).

### **Course evaluation**

Upon completion, the course will be evaluated in accordance with the rules for course evaluations established by the Bachelor's Programme in Business and Economics at the School of Business, Economics and Law. The results of the evaluation as well as any changes to the course structure shall be communicated to both the students who completed the evaluation and the students who are enrolled the next time the course is offered.