

STAGE-5

S-501 - FINANCIAL REPORTING

i. Introduction:

This course is designed to focus on preparing, analysing financial statements and developing reports thereon, for management decisions. The students are expected to use knowledge and understanding of more advanced financial accounting, for preparing and interpreting financial statements in context of practice.

ii. Objectives:

To provide the students with an in-depth knowledge of financial reporting enabling them to:

- analyse and interpret financial statements and prepare financial reports, and
- submit recommendations to the management for taking decision.

iii. Outcomes:

On completion of this course, students should be able to:

- identify categories of users of financial reports and describe the importance of financial reporting,
- evaluate the uses of international regulatory framework, including international standards of accounting and auditing and comparative accounting systems and analysis in financial reporting,
- prepare group financial statements, in accordance with the requirements of the Companies Ordinance 1984, International Accounting Standards and IFAC Guidelines,
- analyse, interpret and report on financial statements (including cash flow statements) and related information to different groups of users, and
- demonstrate the financial reporting skills in case studies.

INDICATIVE GRID:

SYLLABUS CONTENT AREA	WEIGHTAGE
SECTION-A 1 General 2 Categories of Users 3 International Regulations (IAS and IFRS)	50%
SECTION-B 4 Corporate Financial Reporting 5 Corporate Governance 6 Interpretation and Value Measurement	30%
SECTION –C 7. Case Studies & Practical Assignments	20%
TOTAL	100%

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.

CONTENTS

SECTION-A

1. General

Importance of financial reporting; accounting, strategic financial management, MIS/IT; marketing, industrial and commercial laws.

2. Categories of Users

External users (investors, stock exchanges, Securities and Exchange Commission of Pakistan (SECP) and other government agencies, financial institutions, banks, financial analysts). Internal users (directors, managers, employees and union).

3. International Regulations (IAS and IFRS)

The international regulatory framework including international standards of accounting and auditing, comparative accounting systems and analysis.

IASs: IAS 7, 12, 14, 17, 19, 20, 21, 23, 24, 27, 28, 31, 34, 36, 37, 38, 39, 40, 41.

IFRs: 1, 2, 3, 4, 5, 6, 7.

SECTION-B

4. Corporate Financial Reporting

Preparation of Consolidated Financial Statements (complex group structure as well) including Consolidated Cash Flow Statement.

5. Corporate Governance

Various requirements under Code of Corporate Governance.

6. Interpretation and Value Measurement

Advanced aspects of preparation and interpretation of accounts and related reports, calculation of stock market ratios and measurement of business valuation.

SECTION-C

7. Case Studies & Practical Assignments

Students will be expected to demonstrate, that they can integrate the knowledge and skill of their studies of the subjects of financial accounting and financial reporting and their

practical training, candidates' professional capabilities will be tested with reference to: their ability to identify key issues, their judgment in prioritising issues and recommending practical solutions, their communication skills, including their proper use of English, in presenting solutions in structured and logical format. The emphasis at this stage, will be on the presentation, interpretation and meaningful use of data.

Each student will be required to prepare at least two annual reports of selected listed companies from given data, and submit the same to the concerned faculty member for evaluation.

Recommended Books

CORE READINGS		
TITLE	AUTHOR	PUBLISHER
International Financial Reporting Standards (IFRSs/IASs)	—	International Accounting Standards Board, 166 Fleet Street, EC4A 2DY, London.
Modern Advanced Accounting	E. John Larsen	Mc-Graw-Hill Companies Inc., Princeton Road, S-1 Hightslow, NJ08520, New York.
Disclosure Requirements and Revised) Fourth & Fifth Schedules of Companies Ordinance, 1984		Govt. of Pakistan
Companies Ordinance 1984 and Article of Association		Govt. of Pakistan
Relevant Sections of Income Tax Ordinance, 2001		Govt. of Pakistan
Relevant Sections of Banking Companies Ordinance, 1962		Govt. of Pakistan
Prospectuses for Allotment of Shares & Securities of Companies		
Annual Reports of the listed companies		
Periodic Reports of Companies		