



DEPARTMENT OF ACCOUNTING AND FINANCIAL ECONOMICS

FUNDAMENTALS OF FINANCIAL ACCOUNTING

COURSE SYLLABUS

ACADEMIC YEAR 2008/2009


Web: alojamientos.us.es/afcf/

Faculty:

Dr. Manuel García-Ayuso Covarsí
Dra. Arancha Muñoz Usabiaga

Diligencia para hacer constar que el presente programa es el depositado por el Dpto. en este Centro.
El Secretario del Centro: José Ángel Pérez López

Código Seguro De Verificación	dgLGkRdADibdp1VvHQ8LaA==	Fecha	09/02/2021
Firmado Por	JOSE ANGEL PEREZ LOPEZ		
Url De Verificación	https://pfirma.us.es/verifirma/code/dgLGkRdADibdp1VvHQ8LaA==	Página	1/8



OBJECTIVES OF THE COURSE

A significant number of graduates in business administration work in contact with accounting information. Their work often involves the preparation of financial statements and tax forms by small and medium size companies.

The main objective of the course *Fundamentals of Financial Accounting* is to help students understand fundamental accounting concepts and principles, as well as to develop the capability to perform the basic accounting functions: the recognition, valuation, measurement and recording of the most common business transactions and the preparation of accounting statements.

The first part of the course deals with the “*Fundamental Issues in Financial Accounting*” and comprises addresses the following eight issues:

ISSUES	OBJECTIVES
1. INTRODUCTION TO ACCOUNTING. 2. SPANISH ACCOUNTING NORMALIZATION. 3. ASSETS, LIABILITIES AND EQUITY: THE ACCOUNTING EQUATION. 4. THE RECOGNITION OF ACCOUNTING TRANSACTIONS. 5. ACCOUNTS AND THE ACCOUNTING BOOKS. 6. CALCULATING ACCOUNTING EARNINGS. 7: ACCOUNTING FOR INVENTORIES AND OTHER ASSETS. 8. THE ACCOUNTING CYCLE	(I) To introduce students to Financial Accounting, stressing its importance in today's business world. (II) To help students understand the main concepts and principles of Financial Accounting. (III) To provide students with a theoretical basis upon which they will develop their knowledge in other areas of accounting.

During the second semester we will focus on the “*Recognition of Business Transactions*”, addressing the following issues:

ISSUES	OBJECTIVES
9. ACCOUNTING FOR VALUE ADDED TAX 10. ACCOUNTING FOR DEBT LIABILITIES. 11. ACCOUNTING FOR FIXED ASSETS. 12. ACCOUNTING FOR FINANCIAL ASSETS 13. PURCHASES OF GOODS AND SERVICES AND OTHER EXPENSES. 14. SALES OF GOODS AND SERVICES.	(IV) Help students obtain a sound understanding of Spanish accounting standards. (V) To train students in the identification, measurement and recording of accounting transactions under Spanish accounting standards and principles

The total teaching load of this compulsory course is 150 hours, that is, 15 credit-hours.

Código Seguro De Verificación	dgLGkRdADibdp1VvHQ8LaA==	Fecha	09/02/2021
Firmado Por	JOSE ANGEL PEREZ LOPEZ		
Url De Verificación	https://pfirma.us.es/verifirma/code/dgLGkRdADibdp1VvHQ8LaA==	Página	2/8



COURSE CONTENTS

FIRST PART: FUNDAMENTALS OF FINANCIAL ACCOUNTING

1. INTRODUCTION TO ACCOUNTING.

- 1.1. Objectives of Financial Accounting.
- 1.2. Types and objectives of economic entities.
- 1.3. Users of accounting information.
- 1.4. The basic accounting activity.
- 1.5. Financial accounting and managerial accounting.
- 1.6. The concept of Accounting.

2. SPANISH ACCOUNTING NORMALIZATION.

- 2.1. Financial Accounting Standard Setting.
- 2.2. The legal framework of Accounting in Spain.
- 2.3. Characteristics and structure of the Spanish *Plan General de Contabilidad*.

3. ASSETS, LIABILITIES AND EQUITY: THE ACCOUNTING EQUATION.

- 3.1. Elements of the financial statements.
- 3.2. The accounting equation: $\text{Assets} = \text{Equity} + \text{Liabilities}$.
- 3.3. Assets, Liabilities and Equito: Concept, classification and valuation criteria.
- 3.4. The Balance Sheet.
- 3.5. Accounting principles.

4. THE RECOGNITION OF ACCOUNTING TRANSACTIONS.


- 4.1. The accounting method: Purposes and structure.
- 4.2. Accounting transactions.
- 4.3. The analysis of transactions within the framework of double entry bookkeeping.
- 4.4. Fund flows.

5. ACCOUNTS AND THE ACCOUNTING BOOKS.

- 5.1. Accounts: the fundamental accounting tool.
- 5.2. Types of accounts.
- 5.3. The accounting books: Ledger and Journal.
- 5.4. The trial balance.

6. CALCULATING ACCOUNTING EARNINGS.

- 6.1. The concept of earnings.
- 6.2. Business transactions, fund flows and cash flows.
- 6.3. Revenues, expenses, gains and losses.
- 6.4. Accounting for revenues and expenses.
- 6.5. Accounting principles.

Código Seguro De Verificación	dgLGkRdADibdp1VvHQ8LaA==	Fecha	09/02/2021	
Firmado Por	JOSE ANGEL PEREZ LOPEZ			
Url De Verificación	https://pfirma.us.es/verifirma/code/dgLGkRdADibdp1VvHQ8LaA==	Página	3/8	

7: ACCOUNTING FOR INVENTORIES AND OTHER ASSETS.

7.1. *Administrative* approach.

7.2. *Multiple-account* approach.

8. THE ACCOUNTING CYCLE

8.1. Phases in the accounting cycle.

8.2. The preparation of financial statements.

8.3. Compulsory financial reporting. Regulatory issues of the accounting books.

8.4. The output of the accounting function: the Annual Accounts.

8.5. Accounting principles.

SECOND PART: ACCOUNTING FOR BUSINESS TRANSACTIONS

9. ACCOUNTING FOR VALUE ADDED TAX

9.1. Introduction.

9.2. Value Added Tax in business transactions.

9.3. Accounting for VAT.

9.4. Accounting for non-refundable VAT.

10. ACCOUNTING FOR DEBT LIABILITIES.

10.1. Sources of funds: concept and classification.

10.2. Shareholders' Equity. The setting-up process.

10.3. Operating liabilities.

10.4. Liabilities arising as a result of negotiations.

10.5. Contingent liabilities.

10.6. Other liabilities.

11. ACCOUNTING FOR FIXED ASSETS.

11.1. Concept and classes of fixed assets.

11.2. Fixed tangible assets: Concept, valuation and components.

11.3. Accounting for fixed assets acquisitions.

11.4. Accounting for in-progress fixed assets.

11.5. Accounting for fixed assets along their economic life.

11.6. Accounting for sales of fixed assets.

11.7. Operating and financial leases of fixed assets (*Leasing* and *Renting*).

11.8. Intangible fixed assets: Concept, valuation and components.

12. ACCOUNTING FOR FINANCIAL ASSETS


12.1. Financial investments held to maturity.

12.2. Trade portfolio of financial instruments.

12.3. Financial instruments available for sale.

12.4. Investments in subsidiaries and parent companies.

12.5. Non-commercial assets and liabilities.

Código Seguro De Verificación	dgLGkRdADibdp1VvHQ8LaA==	Fecha	09/02/2021		
Firmado Por	JOSE ANGEL PEREZ LOPEZ				
Url De Verificación	https://pfirma.us.es/verifirma/code/dgLGkRdADibdp1VvHQ8LaA==		Página		4/8

13. PURCHASES OF GOODS AND SERVICES AND OTHER EXPENSES.

- 13.1. Inventories: Concept, classification and valuation.
- 13.2. Purchases: the supporting documents.
- 13.3. Accounting for inventories purchases.
- 13.4. Personnel related expenses.

14. SALES OF GOODS AND SERVICES.

- 14.1. The valuation of sales revenues.
- 14.2. Accounting for sales of goods.
- 14.3. The valuation of ending inventory.
- 14.4. Provisions for other commercial transactions.
- 14.5. Sales on account.
- 14.6. Accounting for the sale of services.

COURSE MATERIALS AND USEFUL REFERENCES

BASIC MATERIALS

Harrison, W.A. & C.T. Horngren (2008), *Financial Accounting* 7th Ed Prentice Hall

Edmonds, T.P., C.P. Edmonds, F.M. McNair & N.W. Schneider (2006), *Fundamental Financial Accounting Concepts* International Edition. McGraw-Hill Irwin.

Slides disclosed by faculty of the Department of Accounting and Financial Economics of the University of Seville.

Cases prepared by the faculty of the Department of Accounting and Financial Economics of the University of Seville.

Plan General de Contabilidad 2008 y Resoluciones del Instituto de Contabilidad y Auditoria de Cuentas.

Arquero Montaña, J.L., Jiménez Cardoso, S.M. & Ruiz Albert, I. (2008): *Introducción a la contabilidad financiera*, Pirámide, Madrid.

Inditex (2006): Annual Report.

Código Seguro De Verificación	dgLGkRdADibdplVvHQ8LaA==	Fecha	09/02/2021
Firmado Por	JOSE ANGEL PEREZ LOPEZ		
Url De Verificación	https://pfirma.us.es/verifirma/code/dgLGkRdADibdplVvHQ8LaA==	Página	5/8



COURSE RULES AND PROCEDURES

CLASS ATTENDANCE

Students are encouraged to attend classes regularly. Attendance and punctuality are considered a requirement in the classroom. Coming in late or leaving early disrupts the class and exhibits disrespectful and unprofessional behavior to the instructor and fellow classmates. Therefore, such type of behavior should be avoided to the extent possible.

During the year, professors will make several quiz tests to assess students' performance.

FACULTY CONTACT INFORMATION AND OFFICE HOURS

Professor	Office Hours.	Room.
Dr. Manuel García-Ayuso Covarsí	Wednesdays: 9.30-11 & 12.30-14.30; Fridays: 9-11.30	7A FCEYE
Dra. Arancha Muñoz Usabiaga	Tuesdays: 9-11; Wednesdays: 9.30-11.00; Thursdays: 9-11.30. 2 nd semester: Tuesdays: 9-12.30; Thursdays: 9-11.30	14 CEYE

Any change in faculty office hours will be communicated in class and posted according to the procedures commonly followed by the Department of Accounting and Financial Economics.

EVALUATION SYSTEM AND CRITERIA

Students' performance will be assessed by means of two half-term exams. Students must obtain a passing grade (5 or higher) in both exams in order to pass the course.


There will be up to 5 quizzes during the semester that represent up to 15% of the final grade. These quizzes will be given at the beginning of either theory or practice sessions.

Class participation will be graded and is worth up to 10% of the final grade. To earn these 2 points students must attend at least 90% of the classes with homework completed and contribute to the discussions providing relevant information.

Students are welcome to work in groups to prepare practice sessions during the course. Professors will assign different cases to the groups and will request some of them to present their solutions in practice sessions and address the questions raised by classmates. Workgroup performance will also be graded and is worth up to 15% of the final grade.

For students who do not take the quizzes, do not participate in class and do not take part in the workgroup program, the final grade will be obtained from the two half term exams or the final exam.

Código Seguro De Verificación	dgLGkRdADibdp1VvHQ8LaA==	Fecha	09/02/2021
Firmado Por	JOSE ANGEL PEREZ LOPEZ		
Url De Verificación	https://pfirma.us.es/verifirma/code/dgLGkRdADibdp1VvHQ8LaA==	Página	6/8



EXAMS

Students will receive a passing grade if they:

- Pass both half term exams (will take place in February and June).
- Pass the part of the final exam (will take place in July) corresponding to the half term in which they received a failing grade.
- Pass the comprehensive final exam if they did not pass any of the half-term exams.
- Pass the extraordinary exams that take place in December and September.

Students with less than 35 credits remaining to graduate will have the right to take an extraordinary exam in February if they apply for it.

A note will be posted a week before each exam in the notice board of the Department (first floor), providing the students with useful information on (i) the structure of the exam, (ii) the valuation criteria adopted and, (iii) the rooms in which it will take place. Regardless of the value attached to theory and practice, **students will not pass the exam if they make two or more fundamental errors**. By such, we consider failure to (i) identify the financial statements, (ii) classify elements of the financial statements as assets, equity, liabilities, revenues and expenses. In that case, the maximum final grade would be 3,5. When grading the exams, quizzes and other elements of students' performance assessment, professors will take into consideration clarity, coherency, spelling, legibility and cleanliness.

The Department of Accounting and Financial Economics has implemented strict control mechanisms to avoid unethical behaviour. Students will be required to show their ID cards before entering the room to take an exam. Questions related to the interpretation of the text or questions of the exam will be taken by professors within the ten minutes following the disclosure of the written tests. No questions will be taken thereafter.

It is considered that students attend a final exam as soon as they receive the papers on which the test is printed. We strongly recommend that this is kept in mind by all students.

Values are essential in today's business world. Truthfulness, loyalty, honesty, integrity and professionalism are among the most fundamental values a business graduate should have to develop a successful career. We require students to show an ethical behaviour at all times.


Intentionally using or attempting to use unauthorized materials, information, notes, study aids or other devices in any academic exercise will result in severe sanctions. This will also apply to situations in which a student intends to help another student commit an act of academic dishonesty.

EXAM REVIEW

According to the Statutes of the University of Seville, students have the right to review their exams, quiz tests and any other assignment used to assess their performance. Thus, within the four days following the disclosure of grades, professors will be available to discuss them with those students interested or who might have a complaint.

After the exam review process, grades will become officially accepted and will be posted by the Secretary of the School. It is the students' responsibility to make sure that no error or omission exists in the grades posted.

Código Seguro De Verificación	dgLGkRdADibdp1VvHQ8LaA==	Fecha	09/02/2021
Firmado Por	JOSE ANGEL PEREZ LOPEZ		
Url De Verificación	https://pfirma.us.es/verifirma/code/dgLGkRdADibdp1VvHQ8LaA==	Página	7/8



EXAMS CUSTODY


In compliance with the regulation of the University of Seville, the Department of Accounting and Financial Economics will keep half-term exams four months and final and extraordinary exams eight months. Students are recommended to ensure the accuracy of their grades before the corresponding deadlines, as it will not be possible to correct any omission or error thereafter.

WEBPAGE

Students may find useful to visit the following webpage:

Web: alojamientos.us.es/afcf/

Seville, September 2008.

Código Seguro De Verificación	dgLGkRdADibdplVvHQ8LaA==	Fecha	09/02/2021		
Firmado Por	JOSE ANGEL PEREZ LOPEZ				
Url De Verificación	https://pfirma.us.es/verifirma/code/dgLGkRdADibdplVvHQ8LaA==		Página		8/8