

# AC4303: ADVANCED FINANCIAL ACCOUNTING

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## Effective Term

Semester A 2022/23

## Part I Course Overview

### Course Title

Advanced Financial Accounting

### Subject Code

AC - Accountancy

### Course Number

4303

### Academic Unit

Accountancy (AC)

### College/School

College of Business (CB)

### Course Duration

One Semester

### Credit Units

3

### Level

B1, B2, B3, B4 - Bachelor's Degree

### Medium of Instruction

English

### Medium of Assessment

English

### Prerequisites

AC3202 Corporate Accounting I; and AC4301 Corporate Accounting II

### Precursors

Nil

### Equivalent Courses

Nil

### Exclusive Courses

Nil

## Part II Course Details

### Abstract

This course aims to develop students' conceptual skills and professional competence in the preparation and reporting of financial accounting information for a Group consisting of parent company, subsidiaries, and associated companies

in accordance with Hong Kong Financial Reporting Standards ( “HKFRSs” ). Students are expected to gain an in-depth understanding of the underlying accounting concepts and accounting standards governing the preparation of financial statements for a Group under HKFRSs for external users. Students will engage in project based learning and apply their knowledge and skills to analyze and interpret critically the financial information from the Group accounts.

### Course Intended Learning Outcomes (CILOs)

CILOs	Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1	Apply the appropriate accounting concepts and policies and relevant Hong Kong Financial Reporting Standards (HKFRSs) to the preparation of financial statements for a Group which is composed of parent company, subsidiaries, and associated companies.		x	x
2	Prepare the statement of cash flows for a group in accordance with the Hong Kong financial reporting framework.		x	x
3	Analyze and evaluate critically the information from the financial statements of a Group including different forms of business combination.	x	x	x
4	Explain the key features of the financial reporting system in the Mainland China.		x	x

#### A1: Attitude

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

#### A2: Ability

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to real-life problems.

#### A3: Accomplishments

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

### Teaching and Learning Activities (TLAs)

TLAs	Brief Description	CILO No.	Hours/week (if applicable)
1	Lecture	Explain and apply concepts and accounting standards underlying the preparation of financial statements including statement of cash flows for a Group. Introduce key features of the financial reporting system in the Mainland China.	1, 2, 3, 4

2	Assignment	Exercises to enhance students' understanding and knowledge of the weekly topics.	1, 2, 3	
3	Group Project#	Analysis of Group companies' annual reports designed to integrate and apply students' learning of financial reporting in the course through the analysis, evaluation and interpretation of financial accounting information reported in the annual reports of Hong Kong listed companies.	1, 3	

**Additional Information for TLAs**

# DEC TLA element

Lecture : CILO No. 3 (indirectly)

Assignment : CILO No. 3 (indirectly)

Group Project : CILO No. 1 (indirectly)

**Assessment Tasks / Activities (ATs)**

	ATs	CILO No.	Weighting (%)	Remarks (e.g. Parameter for GenAI use)
1	Class-based assessment activities such as quizzes, assignments	1	10	
2	Mid-term test	1	25	
3	Project report#	1, 3	15	

**Continuous Assessment (%)**

50

**Examination (%)**

50

**Examination Duration (Hours)**

3

**Additional Information for ATs**

# DEC AT element

Weighting:

Class-based assessment activities such as quizzes, assignments (10-15%)

Mid-term test (20-30%)

Project report (10-15%)

Students are required to pass both coursework and examination components to guarantee to pass the course. Failing either component may lead to failure in the course. The passing mark is generally 50.

### **Assessment Rubrics (AR)**

#### **Assessment Task**

Mid-term test and Final examination

#### **Criterion**

1.1 ABILITY to IDENTIFY and APPLY appropriate accounting concepts and policies and relevant Hong Kong Financial Reporting Standards (HKFRSs) to the preparation of financial statements of a group.

#### **Excellent (A+, A, A-)**

High

#### **Good (B+, B, B-)**

Significant

#### **Fair (C+, C, C-)**

Moderate

#### **Marginal (D)**

Basic

#### **Failure (F)**

Not even reaching marginal level

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#### **Assessment Task**

Mid-term test and Final examination

#### **Criterion**

1.2 ABILITY to PREPARE the statement of cash flows for a group in accordance with the Hong Kong financial reporting framework and EXPLAIN the financial reporting system in the Mainland China.

#### **Excellent (A+, A, A-)**

High

#### **Good (B+, B, B-)**

Significant

#### **Fair (C+, C, C-)**

Moderate

#### **Marginal (D)**

Basic

#### **Failure (F)**

Not even reaching marginal level

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#### **Assessment Task**

Project report

#### **Criterion**

2.1 ABILITY to ANALYZE and EVALUATE critically the information from the financial statements of a Group.

**Excellent (A+, A, A-)**

High

**Good (B+, B, B-)**

Significant

**Fair (C+, C, C-)**

Moderate

**Marginal (D)**

Basic

**Failure (F)**

Not even reaching marginal level

## Part III Other Information

### Keyword Syllabus

Hong Kong Financial Reporting Standards (HKFRSs), Parent company, Subsidiary, Associates, Group accounts, Consolidated financial statements, Consolidated statement of cash flows, Direct and indirect holding, Acquisition accounting, Goodwill, Concept of control (Power, Returns, and their link), Non-controlling interests and their measurement basis (proportionate share of net assets and fair value), Intragroup balances and transactions, Equity accounting, Significant influence, Merger accounting, Accounting regulatory system and Financial reporting system in Mainland China,

### Reading List

#### Compulsory Readings

	Title
1	Wong, S.T.M. and C.S.F. Yeung, “Advanced Financial Accounting” , latest edition, McGraw-Hill.
2	Canvas site for the course.

#### Additional Readings

	Title
1	Picker, R, K. Leo, J. Loftus, V. Wise, K. Clark, and K. Alfredson, “Applying International Financial Reporting Standards” , latest edition, Wiley.
2	Lam, N., K.P. Yuen, and J. Kwong, “Advanced Financial Reporting” , latest edition, McGraw-Hill.
3	Tan, H.N., C.Y. Lim, and L.N. Lee, “Advanced Financial Accounting” , latest edition, McGraw-Hill.
4	Hong Kong Financial Reporting Standards (HKFRSs) – Members Handbook, Hong Kong Institute of Certified Public Accountants. < <a href="http://appl.hkicpa.org.hk/ebook/index.php">http://appl.hkicpa.org.hk/ebook/index.php</a> >
5	Deloitte : Financial Reporting in Hong Kong, CCH.
6	Deloitte's IAS Plus < <a href="http://www.iasplus.com/">http://www.iasplus.com/</a> >
7	International Accounting Standards Board (IASB) < <a href="http://www.iasb.org/">http://www.iasb.org/</a> >