

FINANCIAL ACCOUNTING

Grado en Administración de Empresas / Bachelor in Business Administration BBA SEP-2023 FIN-NBA.1.S.E

Area Accounting and Management Control

Number of sessions: 30

Academic year: 23-24

Degree course: FIRST

Number of credits: 6.0

Semester: 1º

Category: BASIC

Language: English

Professor: **SILVIU GLAVAN**

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Silviu Glavan

Silviu's main research interest is situated at the convergence of international finance and accounting, focusing on the IFRS (International Financial Reporting Standards) adoption around the world. In particular, he studies the impact of the "fair value accounting" (i.e. mark-to-market or mark-to-model) for financial instruments on the real decisions (portfolio allocation / risk management) of the financial institutions. Other lines of research are the banking regulation and the financial risk management.

He participated as a researcher in many projects, financed with public or private funding, like: Asset Pricing and Risk Management, Risks: analysis, management and applications, The Last Financial Crisis: a Finance-Accounting Approach, Pricing and Risk Management of volatility derivatives, Credit Risk Management, Financial Risks: Software for measurement and management.

His recent publications include an analysis of the Fair Value accounting in banks and the recent financial crisis, published by the Bank of Spain Financial Stability Review, and is the co-author of a book about the evolution of the Spanish financial system during the recent years.

His teaching experience comprises International Finance, Financial Derivatives, Risk Management, Fixed Income Securities and Other Derivatives, Financial Accounting and IFRS Accounting for the undergraduate level and graduate level with different programs: BBA, Master in Financial Engineering, Master in Financial Analysis, Master in Actuarial Science and Finance, Master in Industrial Organization and Markets. He is the coordinator of the Finance-Accounting sequence at the IE University and the Director of the Finance Lab for Segovia Campus. Also, he is a constant committee member for the final theses of the Master of Finance at IE Business School.

Academic Qualifications

- Ph. D. in Business Administration and Quantitative Methods (Accounting and Finance track), Carlos III University, 2010
- Master in Statistics and Optimization, Bucharest University, 2000
- B.Sc. in Applied Mathematics (Actuarial Science), Bucharest University, 1998

Academic Experience

- Assistant Professor, IE University, 2013-present
- Assistant Professor, Navarra University, 2010-2013
- Teaching Assistant, Carlos III University, 2003-2010
- Fields of interest: Fair Value Accounting, Banking Regulation, Risk Management, Asset Pricing

Professional Experience

- Consultancy in developing financial software, 2007-present
 - Insurance Broker, AON, 1999-2003
- Office hours: Weekly, TBA
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SUBJECT DESCRIPTION

The purpose of this course is to provide students with the basic knowledge of financial accounting that will allow them to construct and analyze financial statements using generally accepted accounting principles.

Accounting is the “language of business”, and students shall become sufficiently fluent in this language as to understand the financial condition and the performance of a business by reading its financial statements.

The main aim of the Financial Accounting course is to familiarize the student with the language and terminology of accounting. In this respect, the course objective is to introduce the student to the basic concepts necessary for understanding accounting processes within businesses and to analyze a company’s financial status. Overall, the student should complete the course with the following key skills.

LEARNING OBJECTIVES

- How to write financial statements.
- How to read and interpret those statements as the means to support financial decision-making.
- Prepare financial statements aligned with corporate governance principles.
- Understand the importance of ethics in financial reporting for all the stakeholders.

TEACHING METHODOLOGY

??As is common to all IE University courses, the course will combine lectures with practical exercises.

??We will begin with an overview of the accrual and cash accounting systems, and continue by examining specific accounting problems and measurement topics.

??Before each class session, readings regarding the topics to be covered will be assigned.

??Students are also expected to solve the assigned homework sets and case-studies before the class, and to be able to start their class discussion by answering a question, related with the case, if cold-called.

??Prior preparation of every class session is expected from all the students, since much of the learning occurs by listening to your peers opinions and questions during class discussions.

??The compulsory textbook represents the basis for preparing the classes and solving problems.

??It is of utmost importance that you keep up with the coursework. In accounting, new material always builds on prior concepts, so you will soon lose the thread, if you decide to study only a few days just before the day of the exam.

??Attendance and punctuality are mandatory. Please pay attention to the CODE OF CONDUCT IN CLASS attached.

??A scheme of expected time allocation by students to this course is as follows:

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?*Please notice that class discussions rely mainly on individual studying (outside class), and therefore, the relevance of class participation in the final grade is very important.?

IE University teaching method is defined by its collaborative, active, and applied nature. Students actively participate in the whole process to build their knowledge and sharpen their skills. Professor's main role is to lead and guide students to achieve the learning objectives of the course. This is done by engaging in a diverse range of teaching techniques and different types of learning activities such as the following:

| Learning Activity | Weighting | Estimated time a student should dedicate to prepare for and participate in |
|---|------------------|---|
| Lectures | 15.33 % | 23.0 hours |
| Discussions | 10.0 % | 15.0 hours |
| Exercises in class, Asynchronous sessions, Field Work | 18.0 % | 27.0 hours |
| Group work | 36.67 % | 55.0 hours |
| Individual studying | 20.0 % | 30.0 hours |
| TOTAL | 100.0 % | 150.0 hours |

PROGRAM

SESSION 1 (LIVE IN-PERSON)

Sustainability Topics:

- Governance

Description: ?INTRODUCTION?

Book Chapters: Chapter 1 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting) (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 1 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_688

SESSION 2 (LIVE IN-PERSON)

Sustainability Topics:

- Governance

Description: ?ACCOUNTING: THE LANGUAGE OF BUSINESS?

Book Chapters: Chapter 1 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting) (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 1 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_688

SESSION 3 (LIVE IN-PERSON)

Sustainability Topics:

- Governance

Description: ?THE BALANCE SHEET?

Book Chapters: Chapter 1 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting) (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 1 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_688

SESSION 4 (LIVE IN-PERSON)

Sustainability Topics:

- Governance

Description: ?THE BALANCE SHEET?

Book Chapters: Chapter 1 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting) (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 1 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_688

SESSION 5 (ASYNCHRONOUS)

Sustainability Topics:

- Governance

Description: ?THE INCOME STATEMENT

Book Chapters: Chapter 2 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting) (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 2 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_689

SESSION 6 (LIVE IN-PERSON)

Sustainability Topics:

- Governance

Description: ?THE INCOME STATEMENT?

Book Chapters: Chapter 2 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 2 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_689

SESSION 7 (LIVE IN-PERSON)

Description: ?RECORDING TRANSACTIONS?

Book Chapters: Chapter 3 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 3 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_690

SESSION 8 (LIVE IN-PERSON)

Description: ?RECORDING TRANSACTIONS?

Book Chapters: Chapter 3 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 3 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_690

SESSION 9 (LIVE IN-PERSON)

Description: ?RECORDING TRANSACTIONS?

Book Chapters: Chapter 3 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 3 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_690

SESSION 10 (LIVE IN-PERSON)

Description: ?QUIZ EXAM Covering Chapters 1-3 and QUIZ SOLVING

SESSION 11 (ASYNCHRONOUS)

Sustainability Topics:

- Governance

Description: ?ACCOUNTING ADJUSTMENTS?

Book Chapters: Chapter 4 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 4 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_691

SESSION 12 (LIVE IN-PERSON)

Sustainability Topics:

- Governance

Description: ?ACCOUNTING ADJUSTMENTS?

Book Chapters: Chapter 4 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting) (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 4 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_691

SESSION 13 (LIVE IN-PERSON)

Sustainability Topics:

- Governance

Description: ?ACCOUNTING ADJUSTMENTS?

Book Chapters: Chapter 4 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting) (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 4 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_691

SESSION 14 (ASYNCHRONOUS)

Description: ?THE CASH FLOW STATEMENT?

Book Chapters: Chapter 5 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting) (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 5 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_693

SESSION 15 (LIVE IN-PERSON)

Description: ?THE CASH FLOW STATEMENT?

Book Chapters: Chapter 5 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting) (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 5 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_693

SESSION 16 (LIVE IN-PERSON)

Description: ?Wrap-up for the MIDTERM Exam?

Book Chapters: Chapters 1-5 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting) (See Bibliography)

SESSION 17 (LIVE IN-PERSON)

Description: ?MIDTERM EXAM Covering Chapters 1-5?

SESSION 18 (LIVE IN-PERSON)

Description: ?MIDTERM EXAM REVIEW?

Book Chapters: Chapters 1-5 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting) (See Bibliography)

SESSION 19 (ASYNCHRONOUS)

Sustainability Topics:

- Environment
- Governance
- Social Challenge

Description: ?ACCOUNTING FOR SALES?

Book Chapters: Chapter 6 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting) (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 6 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_694

SESSION 20 (LIVE IN-PERSON)

Sustainability Topics:

- Governance

Description: ?ACCOUNTING FOR SALES?

Book Chapters: Chapter 6 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting) (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 6 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_694

SESSION 21 (LIVE IN-PERSON)

Description: ?INVENTORY ACCOUNTING AND COST OF SALES?

Book Chapters: Chapter 7 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting) (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 7 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_695

SESSION 22 (LIVE IN-PERSON)

Description: ?INVENTORY ACCOUNTING AND COST OF SALES?

Book Chapters: Chapter 7 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting) (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 7 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_695

SESSION 23 (LIVE IN-PERSON)

Sustainability Topics:

- Governance

Description: ?INVENTORY ACCOUNTING AND COST OF SALES?

Book Chapters: Chapter 7 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting) (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 7 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_695

SESSION 24 (ASYNCHRONOUS)

Sustainability Topics:

- Governance

Description: ?LONG-LIVED ASSETS ACCOUNTING?

Book Chapters: Chapter 8 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting) (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 8 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_696

SESSION 25 (LIVE IN-PERSON)

Description: ?LONG-LIVED ASSETS ACCOUNTING?

Book Chapters: Chapter 8 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting) (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 8 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_696

SESSION 26 (LIVE IN-PERSON)

Sustainability Topics:

- Governance

Description: ?Case Studies Chemalite & Merrimack?

Practical Case: Chemalite, Inc. (HBS 177078-PDF-ENG)

Practical Case: Merrimack Tractors and Mowers: LIFO or FIFO? (HBS 3217-PDF-ENG)

SESSION 27 (ASYNCHRONOUS)

Sustainability Topics:

- Environment
- Governance

Description: ?LIABILITIES AND INTEREST?

Book Chapters: Chapter 9 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting) (See Bibliography)

L i n k L i q u i d P a g e s C h a p t e r 9 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_697

SESSION 28 (LIVE IN-PERSON)

Sustainability Topics:

- Governance
- Social Challenge

Description: ?STOCKHOLDERS' EQUITY?

Book Chapters: Chapter 10 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting) (See Bibliography)

Link Liquid Pages Chapter 10 :
https://www.ie.edu/ieliquidpages/financialaccounting/chapters/#tod_id_698

SESSION 29 (LIVE IN-PERSON)

Description: ?REVIEW AND DOUBTS SOLVING?

Book Chapters: Chapters 1-10 from Horngren, Sundem, Elliot & Philbrick. (2013): Introduction to Financial Accounting) (See Bibliography)

SESSION 30 (LIVE IN-PERSON)

Description: ?FINAL EXAM?

EVALUATION CRITERIA

??For the first ordinary call students pass the subject if the average of their grades, weighted according to the percentages shown below, is 5 or more and if they obtain a minimum of 3.5 out of 10 in the final exam. Students who obtain less than 3.5 in the final exam and whose average grade is higher than 3.5 will obtain a 3.5 as their final grade.?

Class Discussions represent a fundamental learning mechanism and are also crucial for the well functioning of the class. As mentioned, students are expected to come to class having read the assigned readings, thought about the topics to be discussed, and answered the study questions.

The pre-class preparation and in-class participation will make the course pleasant and intellectually stimulating.

It includes:

-Attending class (a necessary but not sufficient condition): regular attendance is required. Much of the learning will occur in the course of the discussions in class. Hence, regular attendance is required in order to receive credit for class participation. Please advise in advance if you cannot attend a session. Also note that according to the program rules, if you are absent in more of 30% of classes, you automatically fail the class.

- Does the student participate in class? It is not enough for the student just to be present. The student will be encouraged to participate actively in the discussions and to answer questions proposed by the professor.

- Does the student make quality points? It is entirely possible to offer many comments and still receive a low grade for participation. Asking questions that help to improve the learning process class is important, but it is much more important how well you respond to the issues and/or questions raised by the case material, or by the professor or by your classmates, during the class sessions.

| criteria | percentage | Learning Objectives | Comments |
|------------|------------|---------------------|--|
| Final Exam | 40 % | | The final exam will cover all course content. A minimum grade of 3.5 out of 10 is required for the final exam to pass the subject. |

| | | | |
|---------------------|------|--|---|
| Case Studies | 5 % | | Case Studies: Case Studies will be discussed on Session 26 and they require prior preparation. |
| Group Homework | 7 % | | Group Homework |
| Class Participation | 10 % | | Class Participation: Class Discussions represent a fundamental learning mechanism and are also crucial for the well-functioning of the class. Students are expected to come to class having read the assigned readings, thought about the topics to be discussed, and answered the study questions. The pre-class preparation and in-class participation will make the course pleasant and intellectually stimulating. Class participation mark will depend on frequency and quality of contribution. |
| Midterm Exam | 30 % | | Midterm Exam: The midterm exam will take place on session 17. It will cover the material presented during the first part of the course (Chapters 1-5). |
| Quiz | 8 % | | Quiz: The quiz will take place on session 10. It will cover the material presented during the Chapters 1-3. |

RE-SIT / RE-TAKE POLICY

Each student has four (4) chances to pass any given course distributed over two (2) consecutive academic years. Each academic year consists of two calls: one (1) ordinary call (during the semester when the course is taking place); and one (1) extraordinary call (or “re-sit”) in June/July.

Students who do not comply with the 70% attendance requirement in each subject during the semester will automatically fail both calls (ordinary and extraordinary) for that Academic Year and have to re-take the course (i.e., re-enroll) during the next Academic Year.

The Extraordinary Call Evaluation criteria will be subject to the following rules:

Students failing the course in the ordinary call (during the semester) will have to re-sit evaluation for the course in June / July (except those students who do not comply with the attendance rule, and therefore will not have that opportunity, since they will fail both calls and must directly re-enroll in the course during the next Academic Year).

It is not permitted to change the format nor the date of the extraordinary call exams or deadlines under any circumstance. All extraordinary call evaluation dates will be announced in advance and must be taken into consideration before planning the summer (e.g. internships, trips, holidays, etc.) The June/July re-sit will consist of a comprehensive evaluation of the course. Your final grade for the course will depend on the performance in this exam or evaluation only. I.e., continuous evaluation over the semester (e.g. participation, quizzes, projects and/or other grade components over the semester) will not be taken into consideration on the extraordinary call. Students will have to achieve the minimum passing grade of 5 and the maximum grade will be capped at 8.0 (out of 10.0) – i.e., “notable” in the extraordinary call.

Re-takers: Students who failed the subject on a previous Academic Year and are now re-enrolled as re-takers in a course will need to check the syllabus of the assigned professor, as well as contact the professor individually, regarding the specific evaluation criteria for them as re-takers in the course during that semester (ordinary call of that Academic Year). The maximum grade that may be obtained as a retaker during the ordinary call (i.e., the 3rd call) is 10.0 (out of 10.0). The evaluation will consist on taking the midterm exam (40%) and the final exam (60%). A minimum grade of 3.5/10 is required for the final exam in order to pass the subject.

After exams and other assessments are graded by the professor (on either the ordinary or extraordinary call), students will have a possibility to attend a review session (whether it be a final exam, a final project, or the final overall grade in a given course). Please be available to attend the session in order to clarify any concerns you might have regarding your grade. Your professor will inform you about the time and place of the review session.

Students failing more than 18 ECTS credits after the June/July re-sits will be asked to leave the Program. Please, make sure to prepare yourself well for the exams in order to pass your failed subjects.

In case you decide to skip the opportunity to re-sit for an exam or evaluation during the June/July extraordinary call, you will need to enroll in that course again for the next Academic Year as a re-taker, and pay the corresponding tuition fees. As you know, students have a total of four (4) allowed calls to pass a given subject or course, in order to remain in the program.

BIBLIOGRAPHY

Compulsory

- Horngren, Sundem, Elliot & Philbrick.. (2013). *Introduction to Financial Accounting*. 11th. Pearson. ISBN 9781292040578 (Digital)

There is no need to purchase any book for the Financial Accounting course. We will provide you with a hybrid book especially designed for this course. Detailed instructions on how to access this material will be sent to you before the beginning of classes

<https://www.ie.edu/ieliquidpages/financialaccounting/>

BEHAVIOR RULES

Please, check the University's Code of Conduct [here](#). The Program Director may provide further indications.

ATTENDANCE POLICY

Please, check the University's Attendance Policy [here](#). The Program Director may provide further indications.

ETHICAL POLICY

Please, check the University's Ethics Code [here](#). The Program Director may provide further indications.