

<b>Subject Code</b>	AF5110
<b>Subject Title</b>	Theory and Practice of Accounting in China
<b>Credit Value</b>	3
<b>Level</b>	5
<b>Normal Duration</b>	One Semester
<b>Pre-requisite / Co-requisite/ Exclusion</b>	None (Recommended background knowledge: AF5902 Financial Reporting Environment)
<b>Role and Purposes</b>	This subject aims to provide students with knowledge about Chinese accounting, auditing and taxation. It contributes to the achievement of the Programme Outcomes by enabling students to evaluate developments in the Chinese business environment, and their impact on both domestic and foreign business organizations (Outcomes 1, CBN), identify and analyze ethical issues relating to doing business in China (Outcomes 2, CBN).
<b>Subject Learning Outcomes</b>	Upon completion of the subject, students will be able to: <ul style="list-style-type: none"> <li>(a) <u>explain financial statements prepared according to the PRC accounting standards</u>, identify the major differences in financial reporting from the IFRS or HKFRS;</li> <li>(b) <u>analyze contemporary issues on published accounting information of Chinese companies</u>, including changes in accounting standards, corporate governance, market regulations, and managerial incentives to manage earnings</li> <li>(c) <u>interpret and analyze auditing practices and audit quality</u> from the perspectives of the business enterprises and the auditing profession, taking into consideration the changes in Chinese auditing standards, accounting standards, corporate governance, market regulations and ethical issues in auditing practices.</li> </ul>
<b>Subject Synopsis/ Indicative Syllabus</b>	<p><b>Financial reporting framework in China</b> Outline of the Chinese accounting environment, Chinese accounting development, Accounting Law and other prevailing accounting regulations and application scope, accounting standards setting process.</p> <p><b>Accounting harmonization</b> The convergence of the new Accounting Standards for Business Enterprises (ASBE) toward international norms, the significant differences in ASBE from IFRS/HKFRS.</p> <p><b>Chinese accounting standards</b> The Accounting Standards system, the Basic Standard, The introduction of fair value measurement in selected accounting areas under the 2006 ASBEs, including long-term equity investment, property, financial instruments, exchange of non-monetary assets and debt restructuring.</p> <p><b>Corporate governance and financial reporting decisions</b> Earnings quality of listed Chinese companies taking into consideration corporate governance issues including the split share structure reform, political connections and regulation-driven earnings management.</p>

	<p><b>Auditing practice in China</b> Regulatory requirements, implementation status of two types of auditing in China: independent auditing and government auditing. Case study of audit failures, factors affecting auditor independence and audit quality, and measures taken by the authorities and the profession in this regard.</p>																																																						
<p><b>Teaching/Learning Methodology</b></p>	<p>The three hours of lecture/seminar per week will be used flexibly by the lecturer for discussing the core principles and concepts of the subject syllabus and their applications with students and carrying out other learning activities with them. Students are expected to play an active role to interact with their lecturer and other classmates.</p>																																																						
<p><b>Assessment Methods in Alignment with Intended Learning Outcomes</b></p>	<p>Assessment components consist of a comprehensive final examination and coursework, including a mid-term exam, a group case project, and participation. These assessment components require students to <u>interpret the up-to-date changes in Chinese accounting and auditing practices, analyze how the changing market regulations, economic reforms and accounting standards affect Chinese companies' financial reporting and interpret and use financial information to make business decisions in the Chinese market</u> (Programme Outcome 5).</p> <table border="1" data-bbox="421 891 1391 1397"> <thead> <tr> <th rowspan="2">Specific assessment methods/tasks</th> <th rowspan="2">% weighting</th> <th colspan="6">Intended subject learning outcomes to be assessed (Please tick as appropriate)</th> </tr> <tr> <th>a</th> <th>b</th> <th>c</th> <th></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>Participation</td> <td>5%</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Mid-term quiz</td> <td>25%</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Group case project</td> <td>20%</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Final examination</td> <td>50%</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>100 %</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <ul style="list-style-type: none"> <li>- The mid-term quiz consists of open-book questions covering lecture 1 through lecture 7.</li> <li>- The success of this course depends greatly on students' efforts in group work. Group of about 4-5 students each are expected to complete group assignment.</li> <li>- Each group will be assigned a case for in-depth analysis. A thorough paper summary report is required.</li> <li>- The final exam will be in-class, open-book, and comprehensive. It will consist of both computational and essay questions.</li> </ul> <p><b>Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components. In addition, the specific requirements on individual assessment components discussed above could be adjusted based on the pedagogical needs of subject lecturers.</b></p>	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)						a	b	c				Participation	5%	√	√	√				Mid-term quiz	25%	√	√	√				Group case project	20%	√	√	√				Final examination	50%	√	√	√				Total	100 %						
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<b>Student Study Effort Expected</b>	Class contact:	
	▪ Lectures / Seminars	39 Hrs.
	Other student study effort:	
	▪ On average students are expected to spend around 6 hours per week for reading subject materials, doing discussion questions and assignments.	78 Hrs.
	Total student study effort	117 Hrs.
<b>Reading List and References</b>	<p>As China's accounting and related regulations are changing rapidly, an updated textbook in English is <b>NOT</b> available. Weekly reading materials will be recommended/ supplied for this course.</p> <p>CICPA, 2017. Textbook for PRC CPA Uniform Examination – Accounting, China Finance &amp; Economy Media Group. 中國註冊會計師協會, 2017, 中國註冊會計師統一考試輔導教材《會計》, 中國財經出版傳媒集團.</p> <p>MOF, 2017, Accounting Standards for Business Enterprises, Lixin Accounting Publishing House. 中國財政部, 2017, 企業會計準則, 立信會計出版社.</p> <p>CICPA and MOF, 2017, China Standards on Auditing and Quality Control, China Finance &amp; Economy Media Group. 中國註冊會計師協會, 中國財政部, 2017, 中國註冊會計師執業準則, 中國財經出版傳媒集團.</p> <p>China Accounting Standards (CAS) - Summary, Changes and Comparison (中国会计准则 - 概要、变化及比较, 2008, 普華永道中國專業技術組編寫, 陳保朗主編, 中國財政經濟出版社.</p>	