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| <b>Subject Code</b>                            | <b>AF5110</b>   |
| <b>Subject Title</b>                           | <b>Theory and Practice of Accounting in China</b>   |
| <b>Credit Value</b>                            | 3   |
| <b>Level</b>                                   | 5   |
| <b>Normal Duration</b>                         | One Semester  |
| <b>Pre-requisite / Co-requisite/ Exclusion</b> | Pre-requisite: Completion of 5 core subjects for MPA students   |
| <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 PgDPA / MPA Programme Outcomes by enabling students to <u>interpret the changing regulations and practices of Chinese accounting, corporate governance, auditing and taxation, analyze how the ongoing changes in financial reporting evolve with the developing institutions in China and interpret and use financial information of listed Chinese companies for business decision-making</u> (Programme Outcome 5).   |
| <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><br/>Outline of the Chinese accounting development, Accounting Law and other prevailing accounting regulations and application scope, accounting standards setting process.</p> <p><b>Accounting Harmonization</b><br/>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>Fair Value Measurement</b></p>  |

|   | <p>The introduction of fair value measurement in selected accounting areas under the 2006 ASBEs, including long-term equity investment, investment property, financial instruments, exchange of non-monetary assets and debt restructuring.</p> <p><b>Corporate Governance and Financial Reporting Decisions</b><br/>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><br/>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> | <table border="1" data-bbox="532 934 1469 1470"> <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 colspan="6"></td> </tr> </tbody> </table> <p>Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <p>Mid-term exam – Essay and/or computational questions on selected specific ASBEs and corporate governance of Chinese companies.</p> <p>Group case project – Case analysis on a Chinese A-share company, incorporating the analysis on recent changes in financial reporting, corporate governance, auditing and tax regulations.</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% |  |  |  |  |  |  |
| 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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|   | <p>Participation - Participation will be assessed on attendance, the level of active and critical engagement by students with course themes and content.</p> <p>Final examination – A comprehensive open-book examination in which students are required to analyze questions on financial reporting, corporate governance and tax reforms.</p> <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>   |                 |
| <p><b>Student Study Effort Expected</b></p> | <p>Class contact:</p>  |                 |
|   | <ul style="list-style-type: none"> <li>▪ 13 weeks of three-hour seminar</li> </ul>   | <p>39 Hrs.</p>  |
|   | <p>Other student study effort:</p>   |                 |
|   | <ul style="list-style-type: none"> <li>▪ Class preparations, reading subject materials/textbook, assignments and group discussions</li> </ul>  | <p>78 Hrs.</p>  |
|   | <p>Total student study effort</p>  | <p>117 Hrs.</p> |
| <p><b>Reading List and References</b></p>   | <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> |                 |