

Subject Description Form

Subject Code	AF4106
Subject Title	Advanced Financial Accounting
Credit Value	3
Level	3
Normal Duration	1-semester
Pre-requisite / Co-requisite/ Exclusion	Pre-requisite: Intermediate Accounting 2 (AF3111)
Role and Purposes	This subject contributes to the achievement of the BBA Learning Outcomes by enabling students to prepare and analyse financial reports for organisations, and to recognise the increasing integration of the world economy. In addition, the subject will provide students with sufficient professionally-specific skills and knowledge to make an immediate contribution to the workplace, and to facilitate the process of continuous professional development.
Subject Learning Outcomes	Upon completion of the subject, students will be able to: <ul style="list-style-type: none"> a. Explain and compare different types of business combinations. b. Prepare group accounts. c. Identify and resolve accounting issues of consolidation and foreign currency translation.
Subject Synopsis/ Indicative Syllabus	<p>Business Combination</p> <p>Different types of business combination. Reverse acquisition. Corporate expansion and accounting for business combinations.</p> <p>Consolidation of a Group of Companies</p> <p>Formation of a group. Features of consolidation. The reporting entity and consolidated financial statements. Consolidation of wholly owned subsidiaries and partially owned subsidiaries. Consolidation of indirect ownership interests. Reporting intercorporate investments in ordinary shares. Consolidation as of the date of acquisition. Consolidation following acquisition. Intercorporate transfers of noncurrent assets. Intercompany inventory transactions, intercompany indebtedness and intercompany provision of services. Equity method of accounting. Joint arrangement. Related party disclosures.</p> <p>Multinational Accounting</p> <p>Foreign currency transactions. Translation of foreign entity financial statements. Different methods of foreign currency translation. Accounting practices of foreign currency translation for individual companies and group of companies.</p>
Teaching/Learning Methodology	This subject uses a mix mode of teaching with about two-hour lecture and one-hour tutorial. Lectures will introduce perspectives, concepts and techniques which students will be required to apply financial theories and prepare group accounts. Tutorials will initiate students for ideas, concepts and techniques of the topics.

Assessment Methods in Alignment with Intended Learning Outcomes	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)				
			a	b	c		
	Continuous Assessment	50%					
1. Open book Quiz	10%	√	√				
2. Close book Test	30%	√	√				
3. Participation	10%	√	√	√			
Close book Final Examination	50%	√	√	√			
Total	100 %						
To pass this subject, students are required to obtain Grade D or above in both the Continuous Assessment and Examination components.							
Student Study Effort Expected	Class contact:						
	▪ Seminars						39 Hrs.
	Other student study effort:						
	▪ Self-study						78 Hrs.
	Total student study effort						117 Hrs.
Reading List and References	<ul style="list-style-type: none"> • Nelson LAM, KP YUEN and Jasmine KWONG, <i>Advanced Financial Reporting: An IFRS Perspective</i>, McGraw Hill. • Pearl Tan Hock Neo and Peter Lee Lip Nyeon, <i>Advanced Financial Accounting: An IAS and IFRS Approach</i>, McGraw Hill. • Tan Liong Tong, <i>Business Combinations and Consolidation - CCH Guide to IFRS 3, IFRS 10, IFRS 11, IFRS 12, IAS 27(r) and IAS 28(r)</i>, 2nd E, CCH • Ruth Picker, Ken Leo, Janice Loftus, Victoria Wise, Kerry Clark, Keith Alfredson, <i>Applying International Financial Reporting Standards</i>, Wiley. • HKICPA, <i>Candidates Learning Pack: Module A: Financial Reporting</i>. 						