

**COURSE DATA****Data Subject**

|                      |                                      |
|----------------------|--------------------------------------|
| <b>Code</b>          | 36106                                |
| <b>Name</b>          | Introduction to financial accounting |
| <b>Cycle</b>         | Grade                                |
| <b>ECTS Credits</b>  | 6.0                                  |
| <b>Academic year</b> | 2023 - 2024                          |

**Study (s)**

| <b>Degree</b>              | <b>Center</b>        | <b>Acad. Period</b> |
|----------------------------|----------------------|---------------------|
| 1316 - Degree in Economics | Faculty of Economics | 1    Second term    |

**Subject-matter**

| <b>Degree</b>              | <b>Subject-matter</b> | <b>Character</b> |
|----------------------------|-----------------------|------------------|
| 1316 - Degree in Economics | 4 - Business          | Basic Training   |

**Coordination**

| <b>Name</b>          | <b>Department</b> |
|----------------------|-------------------|
| ARCE GISBERT, MIGUEL | 44 - Accountancy  |

**SUMMARY**

FINANCIAL ACCOUNTING – AN INTRODUCTION is a foundation course, taught in the second semester of the first year of the Degree in ECONOMICS. This course is linked to the area of Business Administration and comprises six ECTS credits. The subject is designed for beginners in the study of financial accounting.

The course has a double perspective, theoretical and practical, for the understanding of the principles and concepts needed for the preparation and use of the financial statements. It is expected that at the end of the course the student: acquire a good understanding of the nature and objectives of the financial accounting; know how to prepare financial statements based on simple business transactions; and understand the principles of preparation of financial statements from an international perspective.

From a professional perspective the FINANCIAL ACCOUNTING is a key instrument in the development of a successful career, where the professional should apply different international strategies, with an increasing competence and the need to discriminate between numerous investment options. Moreover the professionals should study and adapt to the changes in the regulation and profession of accounting and auditing.



## PREVIOUS KNOWLEDGE

### Relationship to other subjects of the same degree

There are no specified enrollment restrictions with other subjects of the curriculum.

### Other requirements

The prerequisites that the student needs to successfully address this subject are minimal: a level of basic maths (solving equations with one / two unknowns and basic partial derivatives); familiarity with the graphical analysis; and web information looking up.

## OUTCOMES

### 1316 - Degree in Economics

- Show critical thinking skills.
- Show ethical commitment and social responsibility at work, respect the environment and human rights and promote equality between men and women and the culture of peace.
- Be able to collect and analyse information.
- Have oral and written communication skills in the native language.
- Have decision-making skills and be able to apply knowledge to practice.
- Be able to work in a team (including interdisciplinary teams).
- Be able to learn autonomously.
- Be able to use ICTs.
- Know and understand the company, its functional organisation, its objectives and techniques. Understand the processes for the creation and development of the company and of innovation.
- Know how to analyse and interpret the economic and financial information of companies.

## LEARNING OUTCOMES

Upon completion of the course, students will be able to:

- Have a good understanding of the nature and purpose of accounting.
- Prepare financial statements from simple underlying business transactions.
- Understand, from an international perspective, the fundamentals involved in preparing the financial statements of a firm.
- Know the usefulness of financial information for the decision making process.
- Develop a global view of the business organization and the inter-relationships between its different components.
- Develop capabilities to make managerial decisions with incomplete information.
- Develop an ethical attitude in business, respectful of people's rights and the environment.



## DESCRIPTION OF CONTENTS

### 1. Economic activity and accounting information

- 1.1. Economic activity and wealth turnover
- 1.2. Economic resources and financing. Wealth, financial position, and income
- 1.3. Users of accounting information
- 1.4. Qualitative characteristics of accounting information
- 1.5. Introduction to financial statements
- 1.6. The role of accounting standards: IFRS vs domestic standards

### 2. The recording process: the T account and the double entry system

- 2.1. Business transactions as the object of accounting measurement
- 2.2. The double entry system
- 2.3. The account and the accounting books
- 2.4. Recording and posting transactions
- 2.5. Recognition, valuation and write off criteria

### 3. The accounting cycle

- 3.1. The phases of the accounting cycle
- 3.2. Inventory and opening the accounts
- 3.3. Analyzing and recording transactions
- 3.4. Accrual accounting and year-end adjustments
- 3.5. Closing the accounts
- 3.6. Information disclosure. The annual financial statements

### 4. Inventories

- 4.1. Concept and types
- 4.2. Initial valuation
- 4.3. Recognition criteria
- 4.4. Subsequent valuation.

### 5. Accounts receivables and accounts payables

- 5.1. Accounts receivables: concept and types
- 5.2. Recognition criteria
- 5.3. Notes receivables
- 5.4. Subsequent valuation
- 5.5. Accounts payables: concept and types
- 5.6. Recognition criteria
- 5.7. Payroll accounts

**6. Non-current assets (non-financial)**

- 6.1. Concept and types
- 6.2. Tangible non-current assets
- 6.3. Intangible non-current assets
- 6.4. Subsequent valuation

**7. Other financial assets and liabilities**

- 7.1. Financial instruments: concepts and types
- 7.2. Financial assets
- 7.3. Financial liabilities

**8. Shareholders equity and net income**

- 8.1. Shareholders equity: concept and components
- 8.2. Income tax expense and the net income
- 8.3. The distribution of the net income

**9. Annual accounts**

- 9.1. Concept, objective and formats
- 9.2. Balance sheet
- 9.3. Profit and loss account (income statement)
- 9.4. Statement of changes in the shareholders equity
- 9.5. Cash flows statement
- 9.6. The notes to the accounts.

**WORKLOAD**

| ACTIVITY                                     | Hours         | % To be attended |
|--|---------------|------------------|
| Theory classes                               | 30,00         | 100              |
| Classroom practices                          | 30,00         | 100              |
| Development of group work                    | 10,00         | 0                |
| Development of individual work               | 5,00          | 0                |
| Study and independent work                   | 30,00         | 0                |
| Preparing lectures                           | 15,00         | 0                |
| Preparation of practical classes and problem | 10,00         | 0                |
| Resolution of case studies                   | 20,00         | 0                |
| <b>TOTAL</b>                                 | <b>150,00</b> |                  |



## TEACHING METHODOLOGY

There will be a two-hour lecture plus a two-hour practice session per week, i.e. four classroom hours per week.

Lecture slides and practice sessions guidelines and relevant materials will be uploaded onto the course's virtual classroom (<https://aulavirtual.uv.es/>). Students are encouraged to participate actively in all classes, including lectures. Attendance to the class is compulsory so as to be aware of the activities to prepare for the continuous evaluation system.

Should the students have any course-related queries, questions or feedback, or should they need any guidance or advice on practice assignments, they are encouraged to take advantage of the office-tutorial hours.

Theory sessions will be based on Master classes encouraging students' participation. Practical classes will consist in solving exercises on the blackboard, discuss the solutions as well as solve practical cases in groups of students.

## EVALUATION

The course assessment has two components:

- (A) A written exam, it represents the 60% of the final grade.
- (B) Continuous assessment, it represents the 40% of the final grade.

Continuous assessment includes different components: active class participation, individual selfreflective reports, team assignments (including presentations) and other activities. The continuous assessment is considered non-recoverable.

The exam needs to be passed in order to be able to pass the course. If you pass the written exam, the final assessment is the average mean of the two previous components. The student's final mark is obtained by adding the continuous assessment mark and the final examination mark (as long as this final examination is passed). If final examination is failed, the final mark will never exceed 4.5 (out of 10).

## REFERENCES

### Basic

- Williams, J., Bettner, M., Carcello, J., & Haka, S. (2021). Financial Accounting (18th Edition ed.). McGraw Hill.
- VELA, J.M. Coord. (2021). Fundamentos de contabilidad financiera. El Plan General de Contabilidad. Pirámide.





- VELA, J.M., PORCUNA, L. y PORCUNA, R. Coords. (2022). Fundamentos de contabilidad financiera. El Plan General de Contabilidad. Casos prácticos. Pirámide.

#### **Additional**

- Código de Contabilidad Financiera y Sociedades, edición actualizada a 21 de diciembre de 2016.
- Directivas y Reglamentos de la UE sobre contabilidad (adopción de las NIIF-UE) de aplicación a partir de 1 de enero de 2024.