

AC4307: ADVANCED FINANCIAL ACCOUNTING

Effective Term

Semester A 2024/25

Part I Course Overview

Course Title

Advanced Financial Accounting

Subject Code

AC - Accountancy

Course Number

4307

Academic Unit

Accountancy (AC)

College/School

College of Business (CB)

Course Duration

One Semester

Credit Units

3

Level

B1, B2, B3, B4 - Bachelor's Degree

Medium of Instruction

English

Medium of Assessment

English

Prerequisites

AC3202 Corporate Accounting I; and AC4301 Corporate Accounting II

Precursors

Nil

Equivalent Courses

Nil

Exclusive Courses

Nil

Part II Course Details

Abstract

This course aims to:

- a. Develop students' conceptual skills and professional competence in the preparation and reporting of financial accounting information for a Group in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").
- b. Provide students with an in-depth understanding of the underlying accounting concepts and accounting standards governing the preparation of financial statements for a Group under HKFRSs for external users.
- c. Appreciate the predictive role of contemporary accounting theory.
- d. Provide students with a fundamental knowledge of accounting regulations in the Chinese Mainland.
- e. Analyze and interpret critically the financial information from Group accounts.

Course Intended Learning Outcomes (CILOs)

CILOs		Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1	Apply the appropriate accounting concepts and policies and relevant Hong Kong Financial Reporting Standards (HKFRSs) to the preparation of consolidated financial statements for a Group which is composed of parent company, subsidiaries, and associated companies.		x	x	x
2	Explain the role of financial statements in market economies; the relationship between accounting policy choice, accounting standard setting, reported earnings, stock market effects, and corporate cost of capital; the relationship between structured managerial compensation packages, debt covenants and earnings management.		x	x	x
3	Describe the key features of the financial reporting system in the Chinese Mainland.			x	x
4	Apply the knowledge in financial accounting in analysing and interpreting financial statements in actual situations.		x	x	x
5	Work in a team environment, demonstrating team building and project management skills.		x	x	x

A1: Attitude

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

A2: Ability

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to real-life problems.

A3: Accomplishments

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

Learning and Teaching Activities (LTAs)

LTAs		Brief Description	CILO No.	Hours/week (if applicable)
1	Interactive lectures	Students will engage in interactive lectures that illustrate and explain important concepts. These lectures will also set the agenda and provide questions for class discussion. The discussions will be supplemented with examples of hypothetical and real-life situations.	1, 2, 3, 4	
2	In-class learning activities	Students will engage in in-class learning activities that expose them to the issues faced by practitioners. These activities will also require students to utilize class materials to identify and propose solutions for these issues.	1, 2, 3, 4	
3	Group project*	Students will complete a group project utilizing knowledge obtained in this course.	1, 2, 3, 4, 5	

Additional Information for LTAs

*DEC element

Assessment Tasks / Activities (ATs)

ATs		CILO No.	Weighting (%)	Remarks (e.g. Parameter for GenAI use)
1	Participation	1, 2, 3, 4, 5	10	
2	Mid-semester Test	1, 2, 3, 4	20	
3	Group Project*	1, 2, 3, 4, 5	20	

Continuous Assessment (%)

50

Examination (%)

50

Examination Duration (Hours)

3

Additional Information for ATs

*DEC element

Students are required to pass both coursework and examination components to guarantee to pass the course. Failing either component may lead to failure in the course. The passing mark is generally 50.

Assessment Rubrics (AR)

Assessment Task

Mid-semester Test and Final examination

Criterion

Demonstrate an understanding of the material covered in class, such as appropriate accounting concepts, policies and relevant Hong Kong Financial Reporting Standards (HKFRSs) to the preparation of consolidated financial statements of a group of companies, accounting in China and contemporary accounting theories.

Excellent (A+, A, A-)

High

Good (B+, B, B-)

Significant

Fair (C+, C, C-)

Moderate

Marginal (D)

Basic

Failure (F)

Not even reaching marginal level

Assessment Task

Group Project

Criterion

Demonstrate an excellent understanding of the subject and all the arguments are well articulated and organized in the output.

Excellent (A+, A, A-)

High

Good (B+, B, B-)

Significant

Fair (C+, C, C-)

Moderate

Marginal (D)

Basic

Failure (F)

Not even reaching marginal level

Part III Other Information

Keyword Syllabus

Parent company, Subsidiaries, Associated companies, Group accounts, Consolidated financial statement, Merger accounting, Conceptual framework, Agency theory, Normative theory, Positive theory, Earnings management, Compensation packages, Debt covenants, Standard setting, Accounting standards in the Chinese Mainland.

Reading List

Compulsory Readings

Title	
1	S.T.M. Wong and C.S.F. Yeung. Advanced Financial Accounting, latest edition, McGraw Hill.

Additional Readings

Title	
1	HKICPA. Hong Kong Financial Reporting Standards (HKFRSs) – Members Handbook, Hong Kong Institute of Certified Public Accountants.