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**PRESCRIPTION: 601 FINANCIAL ACCOUNTING**

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This prescription replaces *201 Financial Accounting*.

**ELECTIVE PRESCRIPTION**

**LEVEL** 6

**CREDIT** 20

**VERSION** 1

**INTRODUCED** 2006

**AIM** Students will apply the regulatory and technical aspects of financial accounting and external reporting for companies and evaluate financial and non-financial information.

**PREREQUISITES** Recommended *400 Accounting Principles* and *501 Accounting Practices* or equivalent knowledge and skills.

**ASSESSMENT WEIGHTINGS**

Learning outcomes	Assessment weighting %
1. Students will apply current legal and accounting requirements relating to the formation of a company and changes to shareholder equity.	15
2. Students will understand current methods of general purpose financial reporting for companies and prepare financial statements for a New Zealand or hypothetical listed company.	45
3. Students will research, analyse, and interpret financial and non-financial information and effectively communicate conclusions for the purpose of shareholder investment.	20
4. Students will apply the current accounting requirements for group accounting.	12
5. Students will research a current financial accounting issue.	8
<b>TOTAL</b>	<b>100</b>

All learning outcomes must be evidenced; a 10% aggregate variance is allowed.

**ASSESSMENT NOTES**

1. Assessment materials should reflect relevant and current legislation, standards, regulations and acknowledged good industry/business practices.

## **LEARNING OUTCOME ONE**

Students will apply current legal and accounting requirements relating to the formation of a company and changes to shareholder equity.

### *Key elements*

- a) Formation of a company.
- b) Changes to share capital.
- c) Distributions.

## **LEARNING OUTCOME TWO**

Students will understand current methods of general purpose financial reporting for companies and prepare financial statements for a New Zealand or hypothetical listed company.

### *Key elements*

- a) Different reporting requirements for companies.
- b) New Zealand Framework for the Preparation and Presentation of Financial Statements.
- c) GAAP.
- d) Annual financial statements covering but not limited to the following topics:
  - revenue
  - current assets
  - non-current tangible assets including impairment
  - research and development
  - current liabilities
  - non-current liabilities
  - contingency and provisions
  - post balance day events.

## **LEARNING OUTCOME THREE**

Students will research, analyse, and interpret financial and non-financial information and effectively communicate conclusions for the purpose of shareholder investment.

### *Key elements*

- a) A New Zealand or hypothetical listed company.

## **LEARNING OUTCOME FOUR**

Students will apply the current accounting requirements for group accounting.

### *Key elements*

- a) 100% single subsidiary business combinations:
  - elimination entries including but not limited to:
    - the parent investment in the subsidiary – goodwill/bargain purchase
    - pre-acquisition dividends
    - intra-group balances, transactions, income and expenditure
    - post acquisition dividends
  - worksheet for consolidated financial statements.

## **LEARNING OUTCOME FIVE**

Students will research a current financial accounting issue.

### *Key elements*

- a) Evaluation of a current issue.