

Subject Code	AF5111
Subject Title	Accounting for Corporations
Credit Value	3
Level	5
Normal Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	An introductory course in financial accounting
Role and Purposes	This subject aims to impart students with the professional accounting practices in Hong Kong, those pertaining to the preparation and presentation of financial statements of limited companies. It contributes to the achievement of the PgDPA / MPA Programme Outcomes by enabling students to <u>apply legal and accounting regulations and standards to external financial reporting, demonstrate an awareness of the latest development in the regulatory environment affecting financial reporting and perform the role of professional accountant in an independent and objective manner (Programme Outcome 1).</u>
Subject Learning Outcomes	Upon completion of the subject, students will be able to: (a) <u>apply accounting concepts and standards</u> ; (b) <u>comply with legal requirements</u> on the financial statements of limited companies; (c) <u>prepare financial statements</u> in accordance with accounting standards; and (d) <u>prepare consolidated financial statements</u> .
Subject Synopsis/ Indicative Syllabus	<p>The Accounts of Companies Issue and redemption of shares and debentures. Companies Ordinance governing the redemption and purchase of own shares out of capital.</p> <p>Accounting Standards and Guidelines Hong Kong Financial Reporting Standards issued by the Hong Kong accounting standard setting-body leading to the preparation of company published financial statements in Hong Kong.</p> <p>Preparation of Published Financial Statements in Hong Kong Legal disclosure requirements of Hong Kong Companies Ordinance. Preparation of statement of profit or loss and other comprehensive income, and statement of financial position including necessary notes to financial statements. Directors' reports. Disclosure requirements of the Hong Kong Stock Exchange for quoted companies.</p>

	<p>Business Combination Different types of business combination.</p> <p>Changes in Capital Structure Reduction in share capital. Reconstruction of capital of companies.</p> <p>Consolidation of a Group of Companies Formation of a group. Features of consolidation. Consolidation of wholly owned subsidiaries and partially owned subsidiaries. Consolidation of a vertical group and a mixed group of companies. Equity method of accounting.</p> <p>Foreign Currency Operations Different methods of foreign currency translation. Accounting practices of foreign currency translation for individual companies and group of companies. Cover concept for hedging purpose.</p>																																																						
<p>Teaching/Learning Methodology</p>	<p>Financial reporting issues will be introduced through lectures and illustrated with examples where appropriate. Short to medium length in-class exercises will be assigned to provide immediate reinforcement of the accounting concepts and techniques covered. After class, students are required to attempt practice questions on more complicated application of accounting principles covered in lectures. Detailed solutions to these practice questions will be provided to facilitate mastery of the related principles.</p>																																																						
<p>Assessment Methods in Alignment with Intended Learning Outcomes</p>	<p>Assessment components include a comprehensive case study on the preparation of the financial statements of a limited company, test and subject final examination. These assessment components require students to demonstrate their ability to <u>apply and evaluate contemporary development and framework in external reporting</u> (Programme Outcome 1).</p> <table border="1" data-bbox="527 1291 1469 1890"> <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>d</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>Class Participation</td> <td>5%</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td></td> </tr> <tr> <td>Individual assignment 1</td> <td>20 %</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Individual assignment 2</td> <td>25 %</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>	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)						a	b	c	d			Class Participation	5%	√	√	√	√			Individual assignment 1	20 %	√	√	√				Individual assignment 2	25 %			√	√			Final examination	50 %	√	√	√	√			Total	100 %						
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	<p>Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <p>Participation – Participation in class by asking and answering questions.</p> <p>Individual assignment 1 - An integrated problem on the statutory financial statements of a single company and latest development in accounting regulation to test students' knowledge of and ability to apply the accounting principles to real life situations.</p> <p>Individual assignment 2 - An integrated problem on consolidation to test students' knowledge of and ability to apply the consolidation principles.</p> <p>Final examination - A three-hour closed book comprehensive examination with five questions covering all the intended learning outcomes.</p> <p>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 lecturer.</p>	
<p>Student Study Effort Expected</p>	<p>Class contact:</p>	
	<ul style="list-style-type: none"> ▪ 13 weeks of three-hour seminar 	<p>39 Hrs.</p>
	<p>Other student study effort:</p>	
	<ul style="list-style-type: none"> ▪ Class preparations, revise and practise the accounting principles covered in class, and assignments 	<p>78 Hrs.</p>
	<p>Total student study effort</p>	<p>117 Hrs.</p>
<p>Reading List and References</p>	<p>Collions, B. and McKeith, J., <i>Financial Accounting and Reporting</i>, latest edition, McGraw-Hill.</p> <p>Chow, L., Kan S., Tsui C. and Taylor D. W., <i>Advanced Financial Accounting in Hong Kong</i>, latest edition, Longman.</p>	