

Syllabus Outline Advanced Financial Accounting

**NQF Level 6**

**Prescribed texts: Service, K., *Gripping GAAP 2024/2025* by LexisNexis**

**Code: GG**

***Business Combinations and Consolidations Study Guide: CGISA* (downloadable from student portal)**

The overall aim of the module is to demonstrate a thorough knowledge of financial accounting principles and their applications, and a basic knowledge of corporate financial accounting.

Syllabus topics	Syllabus detailed content	Textbook
<b>Learning Outcome 1: Understand the basics of Financial Accounting</b>		
Framework for the preparation and presentation of financial statements (IASB Framework; IAS1)	Users and their information needs	GG 2-3
	Objective of financial statements	
	Qualitative characteristics of financial statements	
<b>Learning Outcome 2: Prepare financial statements for limited companies</b>		
Preparation of financial statements for management and publication in compliance with statutory requirements: (Companies Act, Statements of Generally Accepted Accounting Practice [GAAP])	IAS 1 Presentation of Financial Statements	GG 3
	IAS 2 Inventories	GG 13
	IAS 8 Accounting policies, changes in accounting estimates and errors	GG 26
	IAS 10 Events after the balance sheet date	GG 18
	IAS 16 Property, plant and equipment (excluding revaluations)	GG 7-8
	IAS 18 Revenue	GG 4
	IAS 33 Earnings per share (excluding rights issues, not at fair value, conversion rights, diluted earnings per share)	GG 23
	IAS 37 Provisions and contingencies	GG 18
<b>Learning Outcome 3: Draft cash flow statements for management and other stakeholders.</b>		
Cash flow statements.	Preparation of cash flow statements using the direct and indirect methods	GG 27
	Interpretation of cash flow statements for management and other stakeholders	
<b>Learning Outcome 4: Demonstrate how tax is treated in financial statements.</b>		
Taxation	Elementary treatment of taxation (excluding deferred taxation) in financial statements	GG 5
<b>Learning Outcome 5: Prepare group financial statements for wholly and partially owned subsidiary companies.</b>		
Group financial statements	Theory and background to group statements	Business combinations and consolidations study guide
	IFRS 3 Business combinations	
	Consolidation at acquisition date	
	Consolidation after acquisition date	
	Intragroup transactions	
	Adjustments and sundry aspects	
	Consolidation of complex groups	
Interim acquisition of an interest in a subsidiary		
<b>Learning Outcome 6: Understand how financial statements can be used to make decisions.</b>		
Ratio analysis	Use of ratios for financial statement analysis	GG 28

## Syllabus Outline Advanced Financial Accounting

	Calculation of the following ratios	
	Liquidity	
	Profitability	
	Activity	
	Investment	
	Earnings and dividend per share	
	Interpretation of ratios for management and other stakeholders	

### Practical and work competencies

- Prepare group financial statements for wholly and partially owned subsidiary companies.
- Interpret ratios for management and other stakeholders. Range: Earnings per share (including headline earnings per share), earnings yield, price/earnings ratio, dividend yield, net asset value, profitability ratios, solvency ratios and activity ratios; vertical and horizontal analyses; cash flow statements.

### Prescribed readings

- Business combinations and consolidations study guide

### Additional readings and resources: for downloading or reading/viewing::

- Ratio analysis: [https://youtu.be/Byr\\_FcqS\\_1o](https://youtu.be/Byr_FcqS_1o)
- IAS 27 consolidated financial statements: <https://www.youtube.com/watch?v=-20yjn41fok>