Syllabus

Course Description

Course Title	Advanced Accounting and Financial Statement Analysis
Course Code	25461
Course Title Additional	
Scientific-Disciplinary Sector	
Language	English
Degree Course	Master in Accounting and Finance
Other Degree Courses (Loaned)	
Lecturers	Prof. Massimiliano Bonacchi, Massimiliano.Bonacchi@unibz.it https://www.unibz.it/en/faculties/economics-management/academic-staff/person/35968 Dott. Luca Menicacci, Luca.Menicacci@unibz.it https://www.unibz.it/en/faculties/economics-management/academic-staff/person/39639
Teaching Assistant	Dott. Giacomo Fierro Dott. Mag. Tim Linder
Semester	First semester
Course Year/s	1
CP	12
Teaching Hours	72 (36+36)
Lab Hours	-
Individual Study Hours	-
Planned Office Hours	36 (18+18)
Contents Summary	This course explores the tools you will need to analyze and exploit information in corporate financial statements. The main objective of the course is to equip you with the knowledge to read, interpret and analyze financial statement data in order to make informed business decisions regarding investment, credit, or resource allocation. Such skills are required for equity and credit analysts,

	executives, bankers, auditors, consultants and other users of financial information. The course addresses questions such as 1) How do operating and financial decisions contribute to a firm's return? 2) Why does a firm's performance differ from its competitors? 3) Has the firm distorted its accounting numbers and how will this influence its reported performance? 4) How does the financial performance today predict future events, such as credit default or equity valuation? 5) How to derive the "right cash flow" for DCF valuation?
Course Topics	This first part of the course provides comprehensive coverage of advanced accounting principles essential for multinational organizations. Throughout the course, primary emphasis is placed on International Financial Reporting Standards (IFRS), which are referenced below alongside each topic. The course begins with a review of financial statement presentation (IAS 1, IAS 7, IAS 24, IFRS 5) to establish a foundational understanding. The curriculum progresses through increasingly complex topics, including accounting for income taxes (IAS 12), impairment of assets (IAS 36), primary and derivative financial instruments (IAS 28, IAS 32, IFRS 9). One of the core topics of the course is accounting for business combinations (IFRS 3), which is essential for understanding financial reporting aspects in M&A transactions. The course ends with an analysis of global operations and foreign currency transactions (IAS 21) The second part consists of three integrated parts: Part I - Understanding the business environment and financial reporting quality. We need to understand the business environment: Macroeconomic, Industry and Firm's Strategy. Part II - Framework to uncover a company's value- creation activities A) Introduction – Earnings Quality & Financial Statement Analysis - Business Activities and Articulation of Financial Statements - Earnings vs ¿Cash and concept of accrual accounting - Overview of Earnings Quality and Earnings Management - How accounting choices help/hinder our understanding of the business B) Review of Financial Statements

	- Review of line items from Core Introductory accounting and their earnings quality issues and common abuses - Overview of other line items to be covered in Part II C) Reformulation of Financial Statements - Why the need to reformulate statement? - Implementation issues when reformulating statements - Profitability Analysis - Other ratio analysis (growth prospects and risk) - Profitability analysis for a specific company Part II - Adjusting and assessing specific line items A) Revenue and Accounts Receivables - When/what/how much to recognize - Percentage of Completion - Financial Statements for Construction Companies - Multiple Element Revenue Arrangements - Quality of Reported Revenue - Gross vs Net Revenue - Accounts Receivables & Accounts Receivable Factoring - Change in Accounting Estimate vs Accounting Principle B) Operating Capacity - Capitalize vs Expense - Inventory for Manufacturing Companies - Converting LIFO to FIFO - Property, Plant and Equipment - Asset Impairment - Intangible Assets - Goodwill Impairment - Capitalizing R&D - Quality of Reported PP&E and Depreciation C) Fixed Claims - Investments in Debt Securities - Leases (lessee's perspective) - Converting Operating Leases into Capital Leases D) Estimated Claims - Income Taxes - Permanent vs Temporary Difference - Deferred Tax Assets/Deferred Tax Liabilities - ETR vs Statutory Tax rate - Valuation Allowance - Pensions, Stock Compensation, and Other Employee Benefits

	- Equity Method Investment - Consolidation
Keywords	Advanced statement Analysis, Advanced Accounting, Financial Reporting, International Accounting, Accounting Choices, Intercompany investments, IFRS
Recommended Prerequisites	For the first part students should master financial reporting and international accounting (IFRS) at an intermediate level. In general the frequency of the course "Introduction to Accounting" is strongly suggested to properly follow these lectures.
Propaedeutic Courses	
Teaching Format	The course will combine in-class explanation, problem- solving and case discussion. Students are expected to participate actively in class.
Mandatory Attendance	Strongly suggested, but not mandatory
Specific Educational Objectives and Learning Outcomes	ILO (Intended Learning Outcomes) ILO 1 – Knowledge and Understanding ILO 1.1 Knowledge and understanding of economic and financial communication addressed to stakeholders at both national and international level. ILO 1.2 Knowledge and understanding of economic and business models, performance measurement systems, and management planning and control, as well as internal and external auditing models and methods. ILO 1.3 Accounting courses will also enable students to acquire knowledge and understanding of specialised topics that characterise the profession of Chartered Accountant and Statutory Auditor. ILO 2 – Applying Knowledge and Understanding ILO 2.1 Ability to develop and integrate the results of economic and financial communication into business decision-making models. ILO 2.2 Ability to design and manage corporate restructurings and other extraordinary corporate transactions. ILO 3 – Making Judgements

	ILO 3.1 Ability to apply acquired knowledge to take managerial and operational decisions and to solve administrative and financial problems of firms, financial intermediaries and financial markets, taking into account multiple analytical perspectives, including economic, legal, financial, strategic and managerial aspects. ILO 3.2 Ability to select relevant data and appropriately use information to describe and analyse problems related to the management of firms, financial intermediaries and financial markets. ILO 4 – Communication Skills ILO 4.1 Ability to communicate effectively, both orally and in writing, the specialised contents of the individual disciplines, using different registers according to the audience and communicative or educational purposes, and to assess the educational impact of such communication. ILO 5 – Learning Skills ILO 5.1Ability to develop general models starting from the analysed phenomena.
Specific Educational Objectives and Learning Outcomes (additional info.)	
Assessment	Non-attending students: Written exam Attending students: Midterm and Final written exam, Assignments, Group Project ILOs 1-5 assessed
Evaluation Criteria	M1 Non-attending students: Final exam: 100% Attending students: Final exam: 40-45% Midterm exam: 30-35% Group assignment: 25% Attending students must pass each of the above to have a passing grade in the course.

	The attending students' total grade will weigh the final exam more heavily if students do better on the final than on the midterm exam. That is, the final score in the course will be determined using the following formula: Final score = 0.25 × (group assig.) + Max {(0.30 × midterm exam score + 0.45 × final exam score), (0.35 × midterm exam score +0.40 × final exam score)} M2 Not Attending Students Not attending students are evaluated through: 1) Written exam (80%) that covers the following textbook Chapters: 1, 2, 8, 9, 10, 11, 12, 18, 20 2) Assignment (20%) Financial Statement Analysis of an unlisted firms of the BZ province with Revenue higher than 10 million EURO to be submitted by the day before the exam date Attending Students Midterm 15 or 25%, Final 35 or 45%, Group Assignments 30%, Professionalism 10%. Your total grade will weigh the final exam more heavily if you do better on the final than on the midterm exam. That is, your final score in the class will be determined using the following formula: Final score = 0.30 × (score group assig.) + 0.10 × (score professionalism) + Max {0.15 × midterm exam score + 0.45 × final exam score, 0.25 × midterm exam score + 0.35 × final exam score}
Required Readings	M1 • Kieso, Donald E., Jerry J. Weygandt and Terry D. Warfield.Intermediate Accounting: IFRS Edition. 4th edition. Wiley,2020. or alternatively • Kieso, Donald E., Jerry J. Weygandt and Terry D. Warfield.Intermediate Accounting IFRS, International Adaptation, 5thEdition. Wiley, 2024 • Herauf, D. and C. Mbagwu, Modern Advanced Accounting inCanada. 10th edition. McGraw-Hill, 2022. M2 FINANCIAL STATEMENT ANALYSIS AND SECURITY

	VALUATIONE edition: 5Authors: Stephen H Penman ISBN: 9780071326407
Supplementary Readings	• International Accounting Standard Board. InternationalFinancial Reporting Standards, available at www.ifrs.org andon the OLE platform. • Additional material will be available for downloading from the OLE platform.
Further Information	Advance reading of case studies will be required for some sessions, and the cases will be made available at least one week in advance. Students are expected to have read the case material before coming to class. Some practice problems and exercises (workbooks) are recommended to strengthen technical knowledge. Students are required to try to solve the practice problems and exercises before coming to class. The solutions to these problems will be demonstrated during exercise sessions and made available on the OLE platform. Students should be reading a financial newspaper (like the Financial Times, the Wall Street Journal, or The Economist) on a regular basis to find stories related to the material covered in the course. Some of these stories will be posted on the OLE platform and discussed in class SUPPLEMENTARY EBOOK: Financial statement analysis for value investing Penman, Stephen H., author.; Pope, Peter F., author. --> https://unibz.primo.exlibrisgroup.com/discovery/fulldisplay?context=L&vid=39UBZ_INST:UNIBZ&lang=en&docid=alma991007446280901241
Sustainable Development Goals (SDGs)	Quality education

Course Module

Course Constituent Title	Advanced Accounting
Course Code	25461A
Scientific-Disciplinary Sector	ECON-06/A
Language	English

Lecturers	Dott. Luca Menicacci, Luca.Menicacci@unibz.it https://www.unibz.it/en/faculties/economics-management/academic-staff/person/39639
Teaching Assistant	
Semester	First semester
CP	6
Responsible Lecturer	
Teaching Hours	36
Lab Hours	-
Individual Study Hours	-
Planned Office Hours	18
Contents Summary	• The course provides students with the comprehensive accounting knowledge required to analyze complex business transactions within multinational contexts. • It examines the impact of these situations on financial reporting and explores how accounting choices affect capital markets and stakeholder decisions. • Students will develop the analytical skills required to evaluate complex accounting scenarios in international business environments. • The course is based on International Financial Reporting Standards (IFRS), but include some comparison with Italian and US GAAP.
Course Topics	This course provides comprehensive coverage of advanced accounting principles essential for multinational organizations. Throughout the course, primary emphasis is placed on International Financial Reporting Standards (IFRS), which are referenced below alongside each topic. The course begins with a review of financial statement presentation (IAS 1, IAS 7, IAS 24, IFRS 5) to establish a foundational understanding. The curriculum progresses through increasingly complex topics, including accounting for income taxes (IAS 12), impairment of assets (IAS 36), primary and derivative financial instruments (IAS 28, IAS 32, IFRS 9). One of the core topics of the course is accounting for business combinations (IFRS 3), which is essential for understanding financial reporting aspects

	in M&A transactions. The course ends with an analysis of global operations and foreign currency transactions (IAS 21).
Teaching Format	Lectures combined with exercise and case sessions (in person).
Required Readings	• Kieso, Donald E., Jerry J. Weygandt and Terry D. Warfield. Intermediate Accounting: IFRS Edition. 4th edition. Wiley, 2020. *or alternatively* • Kieso, Donald E., Jerry J. Weygandt and Terry D. Warfield. Intermediate Accounting IFRS, International Adaptation, 5th Edition. Wiley, 2024. • Herauf, D. and C. Mbagwu, Modern Advanced Accounting in Canada. 10th edition. McGraw-Hill, 2022.
Supplementary Readings	• International Accounting Standard Board. *International Financial Reporting Standards*, available at www.ifrs.org and on the OLE platform. • Additional material will be available for downloading from the OLE platform.

Course Module

Course Constituent Title	Advanced Financial Statement Analysis
Course Code	25461B
Scientific-Disciplinary Sector	ECON-06/A
Language	English
Lecturers	Prof. Massimiliano Bonacchi, Massimiliano.Bonacchi@unibz.it https://www.unibz.it/en/faculties/economics-management/academic-staff/person/35968
Teaching Assistant	
Semester	First semester
CP	6
Responsible Lecturer	
Teaching Hours	36
Lab Hours	-

Individual Study Hours	-
Planned Office Hours	18
Contents Summary	This course explores the tools you will need to analyze and exploit information in corporate financial statements. The main objective of the course is to equip you with the knowledge to read, interpret and analyze financial statement data in order to make informed business decisions regarding investment, credit, or resource allocation. Such skills are required for equity and credit analysts, executives, bankers, auditors, consultants and other users of financial information. The course addresses questions such as 1) How do operating and financial decisions contribute to a firm's return? 2) Why does a firm's performance differ from its competitors? 3) Has the firm distorted its accounting numbers and how will this influence its reported performance? 4) How does the financial performance today predict future events, such as credit default or equity valuation? 5) How to derive the "right cash flow" for DCF valuation?
Course Topics	The course consists of three integrated parts: Part I - Understanding the business environment and financial reporting quality. We need to understand the business environment: Macroeconomic, Industry and Firm's Strategy. Part II - Framework to uncover a company's value- creation activities A) Introduction – Earnings Quality & Financial Statement Analysis - Business Activities and Articulation of Financial Statements - Earnings vs ¿Cash and concept of accrual accounting - Overview of Earnings Quality and Earnings Management - How accounting choices help/hinder our understanding of the business B) Review of Financial Statements - Review of line items from Core Introductory accounting and their earnings quality issues and common abuses - Overview of other line items to be covered in Part II C) Reformulation of Financial Statements - Why the need to reformulate statement?

	- Implementation issues when reformulating statements - Profitability Analysis - Other ratio analysis (growth prospects and risk) - Profitability analysis for a specific company Part II - Adjusting and assessing specific line items A) Revenue and Accounts Receivables - When/what/how much to recognize - Percentage of Completion - Financial Statements for Construction Companies - Multiple Element Revenue Arrangements - Quality of Reported Revenue - Gross vs Net Revenue - Accounts Receivables & Accounts Receivable Factoring - Change in Accounting Estimate vs Accounting Principle B) Operating Capacity - Capitalize vs Expense - Inventory for Manufacturing Companies - Converting LIFO to FIFO - Property, Plant and Equipment - Asset Impairment - Intangible Assets - Goodwill Impairment - Capitalizing R&D - Quality of Reported PP&E and Depreciation C) Fixed Claims - Investments in Debt Securities - Leases (lessee's perspective) - Converting Operating Leases into Capital Leases D) Estimated Claims - Income Taxes - Permanent vs Temporary Difference - Deferred Tax Assets/Deferred Tax Liabilities - ETR vs Statutory Tax rate - Valuation Allowance - Pensions, Stock Compensation, and Other Employee Benefits - Equity Method Investment

	- Consolidation
Teaching Format	The course will combine in-class explanation, problem- solving and case discussion. Students are expected to participate actively in class.
Required Readings	FINANCIAL STATEMENT ANALYSIS AND SECURITY VALUATION Edition: 5 Authors: Stephen H Penman ISBN: 9780071326407
Supplementary Readings	