



## SUBJECT (MODULE) DESCRIPTION

Name of the academic subject (module)	Code
<b>Financial Statements</b>	<b>18-09-2024</b>

Annotation
By studying the subject "Financial Statements", students will acquire theoretical and practical knowledge in the field of financial accounting related to the processes of preparation of separate and consolidated financial statements and related disclosures of an entity. They will develop the ability to compile and interpret the separate and consolidated financial statements, taking into account the requirements of national and international legislation and the financial information needs of stakeholders. The subject will examine the regulatory framework for the presentation of financial information in financial statements, the processes involved in the preparation of separate and consolidated financial statements and the impact of different accounting methods on the financial information of economic entities.

Staff	Department
<b>Co-ordinator:</b> Jonas Akelis <b>Other:</b>	Faculty of Economics and Business Administration, Department of Economic Policy

Cycle of studies	Type of the subject (module):
First	Compulsory

Form of implementation	Period	Language of instruction
Face-to-face	Spring semester (4)	English

Requirements for students	
<b>Prerequisites:</b> Basics of Accounting, Financial Accounting	<b>Additional requirements (if any):</b> -

Volume of the subject (module) in credits	Total student workload	Contact hours	Independent work hours
5	130	48	82

<b>Aims of the subject (module): competences to be built by the study programme</b>			
<p>The aim of the subject is to provide students with the fundamental knowledge of financial reporting and the ability to apply it in the preparation, evaluation and interpretation of different types of financial statements of entities.</p> <p><i>General competences:</i></p> <p>1.1. Will be able to communicate effectively in writing and oral form, and to convey accounting and financial knowledge to professionals and non-professionals, in line with professional ethics and citizenship.</p> <p>2.1. Will be able to study independently and take responsibility for continuous learning and professional development in their professional field.</p> <p><i>Course unit competences:</i></p> <p>3.1. Will have the latest fundamental and applied knowledge in economics, management, finance, accounting and auditing, will know classical and modern theories in the field of accounting, will be able to apply them in interdisciplinary studies and professional sphere in accounting of national and international organizations.</p> <p>3.3. Will know and be able to apply data analysis techniques, compile various reports, taking into account the functions of various accounting types, the overall accounting policy of an organization, information technology, and requirements and methods for providing accounting information to external and internal users.</p> <p>4.2. Will be able to analyse and evaluate various economic and social processes, organizational behaviour and environment, interpret legislation and apply it to compiling of various reports, solution of organizational management and professional problems.</p> <p>5.1. Will be able to plan, organize, control and evaluate the organization's activities, accounting processes, manage various types of accounting, applying the provisions of the professional code of ethics and accounting regulations, to participate in the formation of the accounting policy for organization, ensuring the efficiency of the accounting and audit system and the reliability of information.</p>			
<b>Study objectives of the study program</b>	<b>Intended outcomes of the subject (module)</b>	<b>Study methods</b>	<b>Assessment methods</b>
1.1.	Will be able to communicate the information and indicators presented in the financial statements of economic entities to accounting, finance and nonspecialist audiences	Seminars, interpreting and commenting on financial statement information	Assessment of activity during the classes Interim test Exam
2.1.	Will be able to find and organize the necessary information independently, make and justify conclusions, and take responsibility for continuous professional development in the field of financial accounting and the regulation of financial statements.	Independent study of literature, research and analysis of legislation, practical assignments	Assessment of activity during the classes Assessment of performance on Moodle assignments Exam
3.1.	Will understand the fundamental theoretical foundations of financial reporting and consolidation and the international and national requirements for the financial statements of entities, and will be able to apply the knowledge acquired in practice	Lectures, independent literature study, practical assignments, case studies, discussions, Moodle assignments.	Assessment of activity during the classes Assessment of performance on Moodle assignments Interim test Exam
3.3.	Ability to compile and interpret sets of separate and consolidated financial statements of entities, taking into account the financial information needs of stakeholders	Lectures, independent literature studies, practical assignments, case studies, discussions, Moodle assignments	Assessment of activity during the classes Assessment of performance on Moodle assignments Interim Test Exam

4.2.	Will be able to interpret and apply legislation to the preparation of separate and consolidated sets of financial statements and to assess the impact of accounting policies on the financial position and performance of an enterprise	Lectures, independent literature studies, practical assignments, case studies, discussions, Moodle assignments	Assessment of activity during the classes Assessment of performance on Moodle assignments Interim Test I Exam
5.1.	Will understand the principles of financial reporting of business processes and be able to make socially responsible and ethical decisions independently in relation to the financial reporting of an entity's activities	Lectures, independent literature studies, practical assignments, case studies, discussions, Moodle assignments	Assessment of activity during the classes Assessment of performance on Moodle assignments Interim Test I Exam

Themes	Contact hours						Independent work assignments		
	Lectures	Consultations	Seminars	Practical classes	Lab works	Practice	Total contact hours	Independent work	Assignments
Introductory lecture: purpose of the course and the competences to be developed, presentation of the procedures for participation in the classes, independent work, reports and assessment	1						1		
1.International and national requirements for financial statements of economic entities, regulation in the EU	2						2	6	Independent study of literature and legislation Completing assignments in the Moodle environment
2.Classification and composition of a set of financial statements, preparation and publication process. Annual and interim, consolidated and separate financial statements. Financial statements for profit and non-profit entities.	2		1				3	6	Independent study of literature and legislation Completing assignments in the Moodle environment
3. Specific features of the content of the balance sheet (statement of financial position) of different types of entities under international and national accounting standards. Specific features of the presentation of the results of operations of different types of entities under international and national accounting standards. Profit and loss accounts: presentation of expenses by nature and by function.	3		2				5	8	Independent study of literature and legislation Completing assignments in the Moodle environment

4. Structure and accounting features of equity of different types of entities. Principles for the preparation of the statement of changes in equity in accordance with international and national accounting standards.	4		2					6	14	Independent study of literature and legislation Completing assignments in the Moodle environment
5. The substance of the cash flow statement and the use of information. Classification of cash flows in the statement. Preparation of the cash flow statement using direct and indirect methods in accordance with international and national accounting standards.	6		3					9	16	Independent study of literature and legislation Completing assignments in the Moodle environment
6. Presentation of company performance in the explanatory notes: the purpose and structure of the explanatory notes, the number and choice of disclosures for small, medium and large companies.	3		2					5	8	Independent study of literature and legislation Completing assignments in the Moodle environment
7. Changes in accounting policies and correction of prior period errors in financial statements	3		2					5	8	Independent study of literature and legislation Completing assignments in the Moodle environment
8. Principles for the preparation of consolidated financial statements in accordance with national and international accounting standards. Preparation for consolidation, elimination of intergroup transactions, consolidation entries and preparation of the consolidated set of financial statements	6		4					10	24	Independent study of literature and legislation Completing assignments in the Moodle environment
Social partner lecture	2							2		Independent study of literature and legislation Completing assignments in the Moodle environment
<b>Total</b>	<b>32</b>		<b>16</b>					<b>48</b>	<b>82</b>	

Assessment strategy	Weight in points	Time of assessment	Criteria of assessment
Work (activity) during the classes	10	During the semester	<p><b>Excellent (1 point):</b> participates actively in discussions, in a lecture by a social partner, asks questions, solves tasks independently and helps others.</p> <p><b>Average (0.5 points):</b> only solves problems with the help of the lecturer or colleagues, answers some questions when prompted.</p> <p><b>Unsatisfactory (0 points):</b> does not participate in discussions, does not perform assigned tasks in the classroom.</p>
Assignments in Moodle	10	During the semester	<p><b>Excellent (1 point):</b> completes assigned tasks on time (90-100% of tasks).</p> <p><b>Average (0.5 points):</b> completes between 40 and 89 % of assigned tasks on time.</p> <p><b>Unsatisfactory (0 points):</b> completes up to 40 % of the assigned tasks on time.</p>

Interim test	40	During the semester	The test is conducted on a closed-book basis. Closed and opened questions and exercises on topics of the separate financial statements. The maximum mark for the test is 10. The final grade includes the test score multiplied by a factor of 0,4.
Exam	40	During the session	The test is conducted on a closed-book basis. Closed and opened questions and exercises on the preparation of consolidated financial statements. The maximum mark for the test is 10. The final grade includes the test score multiplied by a factor of 0.4.
Final grade	100		The final grade is the sum of the scores of the tests, the activity in class and the independent assignments in the Moodle environment: 9.5-10: excellent, 10. 8.5-9.4: very good, 9. 7.5-8.4: good, 8. 6.5-7.4: average, 7. 5.5-6.4 points: satisfactory, 6. 5-5.4 points: weak, 5. Less than 5 points: unsatisfactory, minimum requirements not met, 4, 3, 2, 1.
Assessment of external examination	100		The exam consists of closed and open-ended test items of varying difficulty. The exam is designed to test students' mastery of the knowledge related to the regulation and preparation of separate and consolidated financial statements.

Author	Year	Title	Volume of the periodical or publication	Place of publishing, publishing house, or Internet reference
<b>Compulsory literature</b>				
	2017	Paper F7 Financial reporting: study text (ACCA).		Richmond : Becker Professional Education, 2016.
	2025	International Financial Reporting Standards (global ones; as well as the ones adopted by the EU)		<a href="https://www.ifrs.org">https://www.ifrs.org</a> <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02023R1803-20250730">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02023R1803-20250730</a>
Glenn Arnold & Suzanne Kyle	2021	Intermediate Financial Accounting	Vol 2	<a href="https://open.umn.edu/opentextbooks/textbooks/474">https://open.umn.edu/opentextbooks/textbooks/474</a>
<b>Supplementary literature</b>				
Ly. M. Fraser, Aileen Ormiston	2016	Understanding Financial Statements	11th edition	Pearson
P.Mahony, N.MacLochlainn	2013	Consolidated Financial Statements: a step-by step-approach	3th edition	Chartered Accountants Ireland

*Note: the description was updated on January 30, 2026*