



APPLIES TO ACADEMIC YEAR
2002/2003

BØK 2210 Financial Reporting and Analysis

Program

Master of Business and Economics Program

Responsible for the course

John Christian Langli, Pål Berthling-Hansen

Department

Accounting - Auditing and Law

Term

Fall

ECTS Credits

9

The topics covered by courses in business economics consist of financial and managerial accounting, investment theory, financing, business taxation and financial analysis. It is important for managers and economists to have good knowledge of these subjects in order to procure relevant information, make good decisions, and report the results of business events to internal and external decision makers. Rational decisions are grounded in theory and requires that the decision maker is able to view the corporation, it's environment, and competitive position as a whole. The purpose of the courses in business economics is to give students knowledge that facilitates economic analysis and manage corporations.

Objective

The course consist of two parts

The topic in part 1 is financial accounting. The purpose of financial statements is to provide relevant information to the users of the financial statements. In this course the students will be introduced to the methods, techniques, assumptions, principles and rules that are used by companies in preparing financial statements, as these are expressed in the Norwegian Accounting Act and by accounting standards from the Norwegian Accounting Standards Board. By focusing on assumptions, principles and rules for measurement of assets, liabilities, revenue and expenses, the students will get good knowledge about the ability of financial statements to reflect the economic consequences of the firms transactions.

Financial statements are yearly reports that summarize the consequences of the firm's business activities. Yearly financial statements are not suited to meet the managements need for information. The second part of this course focus on the management's need for more updated and detailed information, and the underlying paradigm is value maximization to the benefit of the owner.

Prerequisites

This course assumes that the students av basic knowlegde in accounting equivalent to the topics covered in the voluntary preparatory course "Introduction to Accounting" For further details about the preparatory course, please see the course description for "Introduction to Accounting".

Compulsory literature

Tellefsen, Jan Terje og John Christian Langli. 2001 *Årsregnskapet* . 7.utg. Oslo: Gyldendal Akademisk. Ch. 1-14, 17 and parts of ch. 20 (ch. 1 - 7 is assumed known, see the course description for "Introduction to Accounting").

Hornlgren, Charles T., George Foster og Srikant M. Datar. 2001. *Cost Accounting: A Managerial Emphasis*. 11th ed.Upper Saddle River: Prentice Hall. Utvalgte kapitler

Recommended literature

Høyvarde, Hans Kristian og John Christian Langli. 2001. *Studiehefte til Årsregnskapet* . Oslo: Gyldendal Akademisk. Ch. 1-14, 17 and parts of ch. 20.

Gjems-Onstad, Ole (red.). *Skattelover og sentrale forskrifter: Studenthefte* . Siste utgave.

Gyldendal Akademisk.

Course outline

Part 1 Financial Accounting

An overview over the purpose and content of financial statements

Basic accounting principles and assumptions

The Norwegian Accounting Act and good accounting practice

Overview over different accounting models

Measurement of current and non-current assets, liabilities and equity

Equity, net income and distribution of capital

The income statement, the balance sheet and the report of the Board

Part 2 Financial Analysis

Computer-based tools

It is not compulsory to use computer-based tools in this course, but students will benefit from using software when working with exercises and cases. Information about software will be given in class.

Course structure

54 hours with lectures and exercises

Evaluation

Five-hour written exam, BØK 22101

Evaluation code(s)

Aids at the examination

Calculator and book of law

Makeup exam

Next ordinary exam