



APPLIES TO ACADEMIC YEAR 2003/2004

## **BØK 2210 Financial Reporting and Analysis**

### **Program**

(Not categorized)

### **Responsible for the course**

John Christian Langli, Pål Berthling-Hansen

### **Department**

Accounting - Auditing and Law

### **Term**

According to study plan

### **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 founded on theory and require that the decision maker is able to view the corporation, its 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 management of corporations.

### **Objective**

The course consists 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 gain a good understanding of the ability of financial statements to reflect the economic consequences of the firm's transactions.

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

### **Prerequisites**

This course assumes that the students have a basic knowledge of 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").

Horngren, Charles T., George Foster og Srikant M. Datar. 2003. *Cost Accounting: A Managerial Emphasis*. 11th ed.Upper Saddle River: Prentice Hall. Selected chapters.

### **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 of lectures and exercises

### **Evaluation**

Five-hour written exam.

### **Evaluation code(s)**

BØK 22101

### **Aids at the examination**

Programmable calculator and book of law

### **Makeup exam**

Next ordinary exam