APPLIES TO ACADEMIC YEAR 2013/2014

EMS 3651 Real Estate Accountancy

Programme
Bachelor of Real Estate (3. year)

Responsible for the course
Paul H Fjeldheim

Department
Department of Accounting - Auditing and Law

Term
According to study plan

ECTS Credits
7,5

Language of instruction
Norwegian

Introduction

In their capacity as a neutral intermediary, all real estate enterprises are responsible for handling the economic settlement between buyer and seller in a safe and orderly fashion, in accordance with the applicable regulations.
The legislation concerning the settlement process is extensive and regulates the value chain: registration of received client funds, booking of transactions, requirements concerning journaling and presentation of the annual accounts, taking into account the prevailing requirements for public information.
Nevertheless, the legal provisions do not regulate the actual settlement in detail. The real estate agent must ensure that the settlement is made in accordance with the contracts that the parties have signed, in accordance with generally accepted estate agent principles and his/her duty of care for both parties.

The settlement between the parties is the final part of the conclusion of a property deal. The settlement sums up the economic agreements that have been concluded during the transaction, in addition to the charges and fees that have accrued for each party.
The type of ownership and conveyance that is applicable will also determine how a correct settlement shall be carried out. The real estate agent is required to make sure that the transfer of the purchase sum from buyer to seller takes place without risks for any of the parties.

Students are expected to have acquired the necessary knowledge in their first and second year of the programme to understand the conditions on which such settlements are based.

Learning outcome

Acquired knowledge
After having completed the course, the students shall have precise knowledge about, and understand the applicable framework for carrying out a correct settlement, including the rules for dealing with and booking entrusted funds (client funds). They shall also have gained knowledge of the requirements for generally accepted estate agent principles and for the estate agent's duty of care for both parties based on the economic settlement.

Acquired skills
After having completed the course, the students shall be able to perform a correct settlement for typical property deals that are carried out by estate agents. They shall be able to register common transactions that occur in connection with various types of settlements and shall have an understanding of how to handle and book entrusted funds (client funds) and the settlement and sale of real estate. The student shall be able to consider aspects of the property deal that may affect the settlement, for instance agreements between the parties, circumstances on the seller's or buyer's side, required documentation for the property deal and what this entails in terms of preparing a reliable settlement.

Reflection
After having completed the course, the student shall not only have a technical insight into how a property settlement is carried out, but shall also understand that the requirements for generally accepted estate agent principles and the estate agent's duty of care for both parties are important factors for carrying out the economic settlement. The students shall also show that they have increased their ethical awareness and reflection concerning the economic settlement.

Prerequisites
This course is given in the third year of the bachelor programme in real estate studies and is based on the courses given in the first and second year of the programme. Students are expected to have an in-depth knowledge of the legislation and other external parameters that have an impact on how the settlement is to be carried out.

Compulsory reading
Books:
Christina D. Lyngtveit, red. 2013. Oppgjør av eiendomshandler: Mellommannsrollen ved eiendomsoppgjør. Rev. utg. Norges eiendomsmeglerforbund
Norges Eiendomsmeglerforbund. Norges Eiendomsmeglerforbunds håndbok. Siste utg. Norges Eiendomsmeglerforbund

Other:
Diverse forfattere. Artikler referert til forbindelse med gjennomføringen av kurset
Diverse Rundskriv fra Finanstilsynet

Recommended reading

Other:
Rosenvold, Erik. 2013. EMS 3651 Oppgjør av eiendomshandler - Oppgavehefte. BI Forlag

Course outline

1. Legislation and regulations related to carrying out typical property deals, including the rules concerning handling of entrusted funds.
2. Accounting and reporting rules, including requirements for balancing the client accounts.
3. The client accounts and the connection to the annual accounts.
4. Organizing the settlement service in the real estate enterprise.
5. Quantification, documentation and registration of transactions.
6. Actions related to completion of the financial settlement between the parties, including settling of accounts, statement of accounts, redemption of loan and transfer of right of ownership to new owner.
7. Ability to identify the main risk phases in a property settlement.

Computer-based tools

No particular computer-based tools are used in this course, but students are expected to have access to the Internet. The rules regulating real estate accountancy are modified continuously and students are expected to use existing information on the Internet and elsewhere to supplement the course syllabus. Students must become acquainted with and use the websites that are relevant to the course, as a minimum become familiar with the following websites: Rettsdata.no, Finanstilsynet.no, lovdata.no, nef.no, eiendomsmeglingsnemnda.no. It is also useful for the students to become acquainted with EmProf.

Learning process and workload

The course consists of 40 course hours. These are distributed on lectures and exercises review. Exercises are important to acquire the discipline, and task review is integrated with the lectures.

At the beginning of the course students will be given a detailed **work plan** throughout the semester. The lectures are conducted under the assumption that the **work plan** is followed. To be sure that their own progress is in accordance with the learning goals identified, it is important that students complete the activities identified.

Approx. one month before the examination a case is given. The case shall be resolved individually by each student. Each student's case solution shall not be submitted for censorship, but brought as a support material for the exam. The course concludes with a four-hour individual written examination.

The learning process requires that students take responsibility for their own learning. The table below, which shows students' time spent in the course, reflect this.

Recommended use of hours:

Actibity	**Hoursruk**
Lectures	35
Review in plenary	5
Working with the syllabus, assignments and preparation for lectures / task review, either alone or with others.	104
Exam Preparation	52
Exam	4
Anbefalt tidsbruk totalt	**200**

Use of hours

Examination
A four-hour individual written exam completes the course.
About a month before the exam a case will be distributed that covers the knowledge acquired in the course. The case is to be solved individually and computer-based tools are useful. The case is not to be submitted for grading but the students shall bring their case solution to the exam along with the case assignment.

Examination code(s)
EMS 36511 written exam which accounts for 100% of the grade in the course.

Examination support materials
All aids are allowed + exam calculator TEXAS INSTRUMENTS BA II Plus™.
Examination support materials at written examinations are specified under exam information in our web-based Student Handbook. Please note the use of calculator and dictionary.
http://www.bi.edu/studenthandbook/examaids

Re-sit examination
A re-sit is held every semester.
Students that have not passed their written exam or who wish to improve their grades can sit for a re-sit exam. The case used in the regular course will also be used for the retake exam.

Additional information
This course meets the eligibility requirements for assistants to the responsible broker ref. Law on real estate § 4.4 Assistants to responsible broker, section 2 of the Regulations on Real Estate § 04.09 An assistant exam, section 1.