UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

COURSE SYLLABUS

Basics of Financial Accounting and Reporting

2021-3-E3301M202

Learning objectives

The student will be able to prepare the financial statements using accounting principles consistent with the status of the company.

The student will be able to understand the strengths and weaknesses of a company, through reading, analysis and revision of its financial statements. Through ratio analysis and flows analysis, with investigations on history and on future of the company, it is possible to distinguish healthy companies from companies with problems or situations of non-continuity.

Will be able to evaluate the Company's performance, integrating the economic and financial analysis with the assessment of social, environmental and governance risks (ESG)

Contents

In the first part the course explores the theme of the evaluations for the preparation of the financial statements, in the business theory as well as in the civil and tax laws, with reference to national and international accounting standards.

The second part addresses the issue of the financial statement as an instrument of communication of corporate strategies in an integrated dimension, framing the methods of reading, analysis and interpretation of the doctrine developed and applied in practice, for the purpose of evaluating the creditworthiness and prospects of development business

Detailed program

First Part

Definition and purpose of the financial statements

The financial statements: knowledge and expectations of stakeholders

The changing role of financial statement in the development of the Italian economy

The formation process of the financial statements

The relationship between statutory and Italian GAAP

The harmonization of accounting and international accounting standards

The basis of preparation of financial statements

The criteria for the preparation of the financial statements

The structure of financial statements in accordance with Italian GAAP, after D.Lgs. 139/2015

The structure of financial statements under international accounting standards

The content of the financial statements

The content of the balance sheet according to civil law, the Italian GAAP and International Accounting Standards

The content of the profit and loss statement

The content of the notes of the financial statements

The information about financial instruments in the notes and management report

The information on the risks in the financial statements

The content of the supplementary information: the cash flow statement

The contents of integrated reporting and sustainability report

Second Part

The balance in the assessment of creditworthiness. The analysis of the riskiness of assets and liabilities, the analysis of cost-effectiveness. The analysis of financial dynamics. Ratio analysis . Analysis of cash flow statement. Drafting and analysis of financial statements, qualitative analysis and strategic analysis.

Value creation and CSR.

The financial statements in businesses in crisis

The financial analysis: financial optics and management optics

The ratio analysis: the ratio of liquidity, activity, profitability, solvency and solidity

The analysis of flows and the preparation of cash flows statement

Analysis perspective: pro forma budgets and cash budgets

The qualitative analysis and preparation of business plans

Budget analysis, rating and estimates of insolvencies

The assessment of corporate performance: indicators of value created .

Sustainable development and selection and ESG analysis

Annual Accounts and accountability: the model of the Global Reporting Initiative and the sustainability report.

Analysis and evaluation of the financial statements of nonprofit organizations

Analysis and evaluation of the financial statements of financial institutions.

Prerequisites

Financial Accounting

Teaching methods

During the Covid -19 emergency period, lessons will take place in mixed mode: two weekly meetings remotely in asynchronous mode (videotaped lessons), a videoconference meeting in synchronous mode, with active participation of the students through their personal computer.

We will try to facilitate the participation of students by group work, with the use of office programs, such as excel, for the preparation of the financial statements (balance sheet, income statement and financial statement) and for financial analysis.

Assessment methods

The exam includes a written part and an oral part.

The written part can be carried out with the option of two on-going tests, of a practical nature (exercises), the performance of which in the presence or at a distance depends on the progress of the pandemic, respectively on the first and second part of the course.

The oral exam includes discussion of the course topics, starting from a qualitative analysis of the financial statements of a listed company and from the quantitative analysis of the financial statements (at least three years) of a company chosen by the student.

For the preparation of these documents, the related models and the software to be used will be made available on the e-learning site. In the inability to use computer labs, the models to be used will be presented and discussed during synchronous lessons.

The oral exam with the interview on the topics covered in class and the discussion of the papers is individual and is expected electronically, except for a positive evolution of the pandemic.

Related information on the e-learning website of the course.

Textbooks and Reading Materials

First part:

L.F. Franceschi (a cura di), *Bilancio di esercizio e principi contabili nazionali*, Vita e Pensiero, Milano 2017

E. Santesso, U. Sostero, *I principi contabili per il bilancio d'esercizio. Analisi e interpretazione delle norme civilistiche,* EGEA, Milano 2018 (*E-book*)

OIC - Organismo Italiano di contabilità e A. Giussani, *Introduzione ai principi contabili internazionali- Seconda edizione,* Giuffrè Editore, Milano 2017.

It is suggested that students take lessons with a Civil Code and Tax Code updated.
Bibliography of support:
- For national accounting standards, www.fondazioneoic.eu, www.commercialisti.it,
- For international accounting standards IAS / IFRS, www.ifrs.org, where you can find English version too.
- For USGAAP, www.fasb.org;
- It is suggested to consult with the sites of the European Union to follow the changes to the Accounting Directives: http://europa.eu.int/.
On the site of the faculty will be provided a handout materials

Second Part

Alessandra Tami, *Oltre la banca. Verso una finanza sostenibile. Dall'analisi economico finanziaria all'analisi ESG*, Franco Angeli, Milano, 2017 (*Financial Statement and Stakeholders)*

Semester

First Semester

Teaching language

Italian