

ADVANCED FINANCIAL ACCOUNTING AND REPORTING

INTRODUCTION

This course is designed to develop an understanding among candidates of the concepts and principles of financial accounting and reporting for non-private entities.

Candidates are expected to display an in-depth knowledge of financial reporting standards applicable to public entities.

OBJECTIVE

To equip the candidates with knowledge and skill in applying financial reporting standards in preparing financial statements for public companies including group of companies.

LEARNING OUTCOMES

Upon successfully completing the course, candidates should be able to:

- Explain the regulatory and professional requirements in the preparation and presentation of financial statements.
- Describe the conceptual framework and its relationship with the preparation and presentation of financial statements.
- Account for transactions in accordance with the relevant accounting standards in Malaysia.
- Apply the requirements of financial reporting standards to recognise, measure, present and disclose elements of assets, liabilities, equity, income and expenses.
- Prepare and present financial statements of group accounts and a single company in accordance with relevant accounting standards.
- Discuss current issues and future directions of financial accounting and reporting particularly in Malaysia.

SYLLABUS WEIGHTAGE

No	Syllabus Content Area	Weighting
1.0	Conceptual framework and the reporting environment	15%
2.0	Preparing financial statements in compliance with generally accepted principles and regulations	25%
3.0	Application of Malaysian Financial Reporting Standards	30%
4.0	Group financial statements	30%
	Total	100%

ASSESSMENT

Workshop	40%
Examination	60%
Total	100%

FINAL EXAMINATION

A 3-hour written paper comprising 4 compulsory questions, out of which there will be at least one compulsory question on consolidated accounts.

SYLLABUS CONTENT

NO	CONTENT	LEVEL OF KNOWLEDGE
1.0	Financial accounting and reporting in Malaysia <ul style="list-style-type: none">• The financial reporting environment in Malaysia• Regulatory and conceptual framework for financial reporting• The future direction of financial reporting in Malaysia and internationally• Proposed framework for the preparation and presentation of financial statements in Malaysia• Substance over form	B B B A A

2.0	<p>Preparation and presentation of financial statements of companies</p> <ul style="list-style-type: none"> • Framework for the preparation and presentation of financial statements in Malaysia • Preparation of financial statements: statement of financial position, statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity, in accordance with legal requirements and approved accounting standards • Interim financial reporting 	<p style="text-align: center;">A</p> <p style="text-align: center;">A</p>
3.0	<p>Application of Malaysian Approved Accounting Standards</p> <ul style="list-style-type: none"> • Presentation of financial statements (MFRS 101) • Inventories (MFRS 102) • Statement of cash flows (MFRS 107) • Accounting Policies, Changes in Accounting Estimates and Errors (MFRS 108) • Events after the Reporting Period (MFRS 110) • Construction contracts (MFRS 111) • Income taxes (MFRS 112) • Property, plant and equipment (MFRS 116) • Leases (MFRS 117) • Revenue from Contract with Customers (MFRS 118) • Employee benefits (MFRS 119) • Accounting for Government Grants and Disclosure of Government Assistance (MFRS 120) • The Effects of Changes in Foreign Exchange Rates (MFRS 121) • Borrowing costs (MFRS 123) • Related Party Disclosures (MFRS 124) • Accounting and Reporting by Retirement Benefit Plans (MFRS 126) • Separate Financial Statements (MFRS 127) • Investments in Associates and Joint Ventures (MFRS 128) • Financial Instruments: Presentation (MFRS 132) • Earnings per Share (MFRS 133) • Interim Financial Reporting (MFRS 134) • Impairment of Assets (MFRS 136) • Provisions, Contingent Liabilities and Contingent Assets (MFRS 137) • Intangible assets (MFRS 138) 	<p style="text-align: center;">A</p>

	<ul style="list-style-type: none"> • Financial Instruments: Recognition and Measurement (MFRS 139) • Investment Property (MFRS 140) • Agriculture (MFRS 141) • Share-based Payment (MFRS 2) • Business Combinations (MFRS 3) • Non-current Assets Held for Sale and Discontinued Operations (MFRS 5) • Financial Instruments: Disclosures (MFRS 7) • Operating Segments (MFRS 8) • Financial Instruments (MFRS 9) • Consolidated Financial Statements (MFRS 10) • Joint Arrangements (MFRS 11) • Disclosures of Interests in Other Entities (MFRS 12) • Fair Value Measurement (MFRS 13) • Revenue from Contracts with Customers (MFRS 15) • Leases (MFRS 16) • Accounting for property development activities (FRS 201) 	
4.0	<p>Consolidated financial statements</p> <ul style="list-style-type: none"> • Application of MFRS 10, 11, 128 and 9 – control, joint control, associate and investment test • Preparation of consolidated financial statements – Consolidated statement of financial position, Consolidated statement of comprehensive income and Consolidated Statement of Cash flow (involving one or more direct subsidiaries, indirect subsidiaries, associates and joint ventures) • Business combination – acquisition method • Treatment of intra-group transactions and balances, and fair value adjustments • Treatment of goodwill (positive and bargain purchase) on consolidation • Treatment of non-controlling interests • Direct and indirect acquisition • Complex group structures • Changes to group structures (acquisition and disposal of shares) • Accounting for associates • Accounting for joint ventures • Accounting for foreign operations 	A

TEXTS AND REFERENCES

Main Text

1. MIA QE Study Text

Recommended References

1. Financial Reporting Standards, MASB
2. Tan Liong Tong, Financial Accounting and Reporting in Malaysia, Vol 1 and 2, Wolters Kluwer
3. Tan Liong Tong, Consolidated Financial Statements, Wolters Kluwer
4. Jane Lazar and Huang Ching Choo, Financial Reporting Standards for Malaysia, McGraw Hill
5. Jane Lazar, Company and Group Financial Reporting, Pearson

Legislation and Regulations

1. Companies Act 2016
2. Financial Reporting Act 1997
3. Securities Commission Guidelines
4. Bursa Malaysia Listing Requirements
5. Bank Negara Malaysia Guidelines
6. Approved accounting standards as issued by MASB

Additional Reference

1. Relevant Professional Accounting Journal

** Candidates are to refer to the latest edition of texts and materials.*

Notes:**Legislation**

Questions involving knowledge of legislation will be based on Malaysian legislation and candidates are expected to have knowledge of any current changes in legislation. However, no questions on new legislation will be set until at least six (6) months have elapsed since the last day of the month in which Royal Assent was given to the new legislation.

Technical Pronouncements

Candidates are expected to have a detailed knowledge of and capable of answering questions in respect of the approved accounting standards, generally accepted accounting principles, regulations and legislation relating to financial accounting and reporting.

Questions involving knowledge of new approved accounting standards and approved auditing standards will not be examined until after at least six (6) months have elapsed since the last day of the month in which the statement became effective or was published.