

Accounting and Information Systems

Instructors

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Course Description

This course is an introduction to the main concepts related to financial accounting. The course will combine lectures with case discussions, and presentation of reports about cases made by groups of students. During the discussion of some cases, the students will be divided in groups using the role playing approach.

Course Objectives

The main objective of the course is to provide students with a working understanding of accounts and financial statements in order to identify the strengths and weaknesses related to the economic and financial situation of a firm. This will allow the student to identify the measures to take in connection with company investing, bank lending to companies, and other decisions which can improve the performance of a firm.

According to the international differences in accounting, the course is designed with an international orientation.

By other hand, the course will provide a critical perspective of accounting dealing with topics like creative accounting and accounts manipulation in order to help the student to identify these practices.

This is not a book-keeping course because the topics are designed from the point of view of managers and accounting users.

Required Readings

Participants are asked to study the material (notes, cases and articles) which will be distributed during the course.

Other references which can help to prepare the course are the following. They are not compulsory:

Blake, J. & Amat, O. (1999): "Interpreting accounts", Thomson Business Press, London.

Griffiths, I. (1995): "The new creative accounting", MacMillan, London.

International Accounting Standards Committee (2000): "International Accounting Standards", Wiley, London.

Kaplan, R. & Norton, D. (1997): "The Balanced Scorecard", Harvard Business School Press, Boston.

Kaplan, R. & Norton, D. (2000): "The Strategy-Focused Organization", Harvard Business School Press, Boston.

Stewart, G. (1999): "The quest for value", Harper Collins, New York.

Walton, P. (2000): "Financial statement analysis: An international perspective", Thomson Business Press, London.

Weaber, S.C. & Weston, J.F. (2001): "Finance and accounting for nonfinancial managers", McGraw-Hill, New York.

Grading

Grading will be done through class participation (10%), final assignment (40%) and final exam (50%). To pass the whole course it is compulsory to pass the final exam.

Final assignment: At the end of the course each group of students will write a report based on a real company applying the concept studied in this course. This report can have the format of a case study with the proposal of solution. Some of these cases could be published by UPF.

Tentative Course Schedule

1. Financial statements and accounting standards: balance sheet, profit and loss account and the notes

Cases: EasyJet

2. Analysis of the balance sheet and the cash flow statement

Case: Swissair

3. Analysis of the profit and loss account, the profitability and stock market ratios

Cases: BMW

4. Analysis of working capital management

Case: Caprabo

5. Analysis of companies of the New Economy

Case: Amazon

6. Analysis of forecasted financial statements and company valuation

Case: Audiovisual

7. Economic Value Added and company valuation

Cases: Marks & Spencer

8. Designing balanced scorecards as corporate information systems

Case: McDonald's

9. International accounting differences: IAS, US GAAP, European Directives and Spanish PGC

Case: EuroDisney

10. Accounts manipulation and creative accounting

Case: Enron