

Financial University under the Government of the Russian Federation
Department of Accounting, Analysis and Audit

Gordova M.

International Financial Reporting Standards

SYLLABUS

Level of Study: Bachelor's Degree

Field of Study: Economics

Study Program: International Trade and Taxation (in English)

Syllabus

1. Name of a subject

International Financial Reporting Standards

2. Mapping of learning outcomes (list of competences), with the relevant indicators described and subject learning outcomes indicated

The Table 1 contains the following information: graduates' coded competencies that are to be developed during the learning process; indicators that show their development (generalized descriptions of specific actions performed by the graduate that clarify and reveal the competence content) and learning outcomes (knowledge, skills) with indicators of competence development:

Table 1

Competence code	Competence	Competence development indicators	Learning outcomes (skills, and knowledge) and indicators that show competence development
PCC-3	Ability to assess the legal consequences of tax operations to enable subjects of international trade to make financial decisions	<p>1. Demonstrates knowledge of approaches to business company taxation at the national and international level</p> <p>2. Has skills in examining commodity markets and developing pricing strategy elements for a company engaged in foreign trade taking into account transfer pricing methods for tax purposes and goods customs value identification methods</p>	<p>1. To know:</p> <ul style="list-style-type: none"> - IFRS requirements for tax information presented in financial statements. <p style="text-align: center;">To own the skill:</p> <ul style="list-style-type: none"> - to reflect taxation of business in financial statements taking into account the requirements of international standards. <p>2. To know:</p> <ul style="list-style-type: none"> - methods for the formation and analysis of financial statements prepared in accordance with IFRS. <p style="text-align: center;">To own the skill:</p> <ul style="list-style-type: none"> - to apply the methods of preparation of financial statements in accordance with IFRS for tax purposes and goods customs value identification.

		<p>3. Demonstrates the ability to develop a corporate sales policy, distribution channels, a distribution system, and choose modern goods selling methods</p> <p>4. Has skills in preparing commercial proposals and foreign trade contract drafts taking into account cross-border trading process participants' tax obligations</p> <p>5. Has the ability to make managerial decisions, assess their possible consequences and bear responsibility for the decisions made on the basis of the international standards-based financial statements examination</p>	<p>3. To know:</p> <ul style="list-style-type: none"> - IFRS requirements regarding the disclosure of financial information about the sale of goods. <p>To own the skill:</p> <ul style="list-style-type: none"> - to provide disclosure of financial information about the sale of goods for the purpose of developing a corporate sales policy. <p>4. To know:</p> <ul style="list-style-type: none"> - methods for collecting and processing financial information in accordance with IFRS. <p>To own the skill:</p> <ul style="list-style-type: none"> - to apply professional knowledge in the field of IFRS for the analysis of financial information in order to prepare commercial proposals and draft foreign trade contract drafts. <p>5. To know:</p> <ul style="list-style-type: none"> - methods of analysis of financial statements prepared in accordance with IFRS. <p>To own the skill:</p> <ul style="list-style-type: none"> - to apply methods of preparation of financial reporting in accordance with IFRS for the purpose of making managerial decisions and assessing their possible consequences.
--	--	--	--

3. Place of the subject in the curriculum

The course *International Financial Reporting Standards* is the discipline of the profile module included in the curriculum of the educational program *38.03.01 Economics*, profile *International Trade and Taxation (in English)*.

4. Workload in credits and academic hours, with class work (lectures and seminars) and self-study indicated

Table 2

Type of work	Total (in credits and hours)	Semester 5 (in hours)	Semester 6 (in hours)
Overall workload	7/252	72	180
Class work	102	34	68
<i>Lectures</i>	50	16	34
<i>Seminars, practicals</i>	52	18	34
Self study	150	38	112
Formative assessment	Control work, Computational and analytical work	Control work	Computational and analytical work
Summative assessment	Credit, Written exam	Credit	Written exam

5. Subject content (with the thematic components indicated)

Topic 1. Framework for the preparation and presentation of financial statements in accordance with IFRS

History of IFRS. Standardization of Financial Reporting and Accounting. The role of IFRS in providing information about the financial position, performance and changes in financial position of an entity.

The structure of regulatory bodies and the procedure for approving IFRS. IFRS Foundation Trustees. International Accounting Standards Board (IASB), its objectives and procedures. IFRS Advisory Council. IFRS Interpretations Committee. The composition of the IFRS. Standards and interpretations. Procedure for developing and adopting standards and interpretations.

Conceptual Framework for Financial Reporting. Status, scope and purpose of the Conceptual Framework for Financial Reporting.

Users of Financial Statements.

Objective and scope of financial statements: objective, usefulness and limitations of general purpose financial reporting; information about a reporting entity's economic resources, claims, and changes in resources and claims; information about use of the entity's economic resources.

Financial performance reflected by accrual accounting, financial performance reflected by past cash flows.

Underlying assumption: going concern assumption.

Qualitative characteristics of useful financial information: fundamental qualitative characteristics (relevance and faithful representation) and enhancing qualitative characteristics (comparability, verifiability, timeliness and understandability).

Elements of financial statements: assets, liabilities, equity, income, expenses and criteria for their recognition in financial statements.

Measurement bases: historical cost; current value; fair value (market participant assumptions), value in use (entity-specific assumptions), fulfilment value; current cost. Fair value measurement: fair value hierarchy, valuation techniques, inputs to valuation techniques.

Concepts of capital and capital maintenance.

Topic 2. Presentation of financial statements and disclosure of supplementary information

Complete set of financial statements. General reporting requirements, annual and interim reporting. The presentation and classification of items in the financial statements: statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows, notes.

Accounting policies, changes in accounting estimates and errors. Selection and consistency of accounting policies. Changes in accounting policies: retrospective application and limitations on retrospective application. Accounting estimates and the reflection of changes in them. Errors and methods of their correction in the financial statements. Disclosure.

Events after the Reporting Period. Assessment of disclosure of information on events after the reporting period and reflection of events after the reporting period.

Related Party Disclosures. Definition of related party, significant influence, key management personnel. Purpose of related party disclosures and related party disclosure procedures.

Operating Segments. Preparation and presentation of an entity's operating segments disclosure.

Hyperinflation. Signs of hyperinflation.

Topic 3. Contents and presentation of the statement of financial position

Property, plant and equipment (PPE). Definition and recognition criteria of PPE. Measurement at recognition. Subsequent costs. Depreciable amount and depreciation period. Useful life of property, plant and equipment and depreciation method, procedure for their establishment and review. Measurement after recognition: cost model and revaluation model. Impairment of property, plant and equipment: definition and accounting. Disposal of property, plant and equipment. Disclosure.

Intangible Assets. Definition of intangible assets. Acquired and internally generated intangible assets. Recognition criteria for intangible assets. Prohibited internally generated intangible assets. Establishment and review of useful life of intangible assets, amortisation period and amortisation method. Measurement after recognition: cost model and revaluation model. Impairment of intangible assets. Disposal of intangible assets. Disclosure.

Leases. Definition of lease. Types of leases and their characteristics. Reflection of the lease in the financial statements of lessor and lessee. Sale and leaseback transactions. Disclosure.

Investment Property. Definition of investment property. Recognition and measurement at recognition. Impairments of investment property. Reclassification and disposals, reflection in the financial statements, disclosure requirements.

Non-current assets held for sale and discontinued operations. Definition, recognition criteria for non-current assets held for sale. Measurement of non-current assets (or disposal groups) classified as held for sale, discontinued operations and their presentation in the statement of financial position. Recognition of impairment losses and reversals. Disclosure.

Inventories. Definition of inventories. Inventory composition. Measurement of inventories. Cost of inventories. Techniques for the measurement of cost. Write-down of inventories. Determination of net realisable value of inventories and reflection of potential losses. Disclosure.

Financial assets and liabilities. Definition of financial instruments. Primary and derivative financial instruments. Financial assets. Financial liabilities. Equity instruments. Recognition and derecognition. Classification. Initial measurement, subsequent measurement of financial assets, subsequent measurement of financial liabilities, amortised cost measurement, impairment (measurement of expected credit losses). Hedge accounting. Disclosure of financial instruments.

Provisions, contingent liabilities and contingent assets. Definition of current and contingent liabilities. Obligating event. Definition of provisions and other liabilities. Recognition of provisions. Measurement of provisions. Changes in provisions. Use of provisions. Onerous contracts, restructuring. Reflection of contingent liabilities and contingent assets in the financial statements. Disclosure.

Topic 4. Contents and presentation of the statement of profit or loss and other comprehensive income

Revenue from Contracts with Customers. Definition of revenue. Recognition: identifying the contract and contract modifications, combination of contracts. Identifying performance obligations and satisfaction of performance obligations. Measurement of revenue. Contract costs. Disclosure.

Borrowing Costs. Definition and composition of borrowing costs. Borrowing costs eligible for capitalisation. Commencement, suspension and cessation of capitalisation. Presentation of borrowing costs. Disclosure.

Employee Benefits. Information about employee benefits and social security contributions. Types of employee benefits. Post-employment benefits : defined contribution plans, defined benefit plans. Disclosure.

Share-based Payment . Equity settled share based payment transactions. Cash settled share based payment transactions. Measurement and recognition. Disclosure.

Government grants. Definition of government grants. Recognition criteria for government grants. Grants related to assets, grants related to income. Accounting for government grants and disclosure of government assistance.

The Effects of Changes in Foreign Exchange Rates. Functional currency and

presentation currency. Reporting foreign currency transactions in the functional currency. Use of a presentation currency other than the functional currency. Translation to the presentation currency. Translation of a foreign operation. Disclosure.

Income Taxes. Difference between accounting profit and taxable profit. Current and deferred tax. Definition of tax base of an asset and a liability; definition of temporary differences. Definition, recognition, measurement and presentation of deferred tax assets and liabilities. Change in the tax rate. Disclosure.

Earnings per Share. Method for calculating basic earnings per share and diluted earnings per share. Presentation in the statement of financial statements.

Topic 5. Preparation and presentation of the statement of cash flows and statement of changes in equity

Structure and content of the statement of cash flows. Definition of cash equivalents. Types of cash flows. Cash Flow Statement Methods. Reporting cash flows from operating, investing and financing activities.

Structure and content of the statement of changes in equity. Procedures for preparation and presentation of the statement of changes in equity.

Topic 6. Contents and procedure for preparation and presentation of the consolidated financial statements

Associates. Definitions of associates. Significant influence. Equity method. Disclosure.

Business combinations. Application and essence of the purchase method: identifying the acquirer, measuring the cost of the business combination, allocating, at the acquisition date, the cost of the business combination to the assets acquired and liabilities and contingent liabilities assumed. Measurement of non-controlling interest . Recognising and measuring goodwill or a gain from a bargain purchase. Subsequent measurement and accounting. Disclosure.

Consolidated Financial Statements. Meaning and definition of Consolidated Financial Statements. Group. Parent. Subsidiary. Control as a basis for consolidation. Exemption from preparing consolidated financial statements. Procedures

for preparation and presentation of consolidated financial statements.

Joint venture. Definitions of control, joint control, joint venture. Application the equity method in joint ventures. Disclosure.

Disclosure of Interests in Other Entities.

Separate Financial Statements. Accounting of investments in subsidiaries, joint ventures and associates in separate financial statements. Equity method in separate financial statements. Disclosure requirements.

Topic 7. Preparation and presentation of the financial statements taking into account industry features

Agriculture. Definition of agricultural activity, biological asset, biological transformation. Recognition and measurement of biological assets. Disclosure.

Exploration for and Evaluation of Mineral Resources. Recognition and measurement of exploration and evaluation assets. Testing exploration and evaluation assets for impairment. Reclassification of exploration and evaluation assets. Disclosure.

Insurance contracts. Definition of insurance contracts. Insurance liabilities. Insurance risk. Reinsurance contract. Recognition and measurement. Disclosure.

6. List of teaching and methodological materials needed for the students self-study

6.1. List of questions for student self-study and types of out-of-class activities

Table 3

Itemized subject content	Questions the students should answer within the self-study process	Types of out-of-class activities
Topic 1. Framework for the preparation and presentation of financial statements in accordance with IFRS	1. History of IFRS. 2. The role of IFRS in providing information about the financial position, performance and changes in financial position of an entity. 3. The structure of regulatory bodies and the procedure for approving IFRS. 4. Standards and interpretations. 5. Procedure for developing and adopting standards	Work with educational literature, normative acts, reference-informational bases and other Internet resources. Test preparation.

	<p>and interpretations.</p> <p>6. Status, scope and purpose of the Conceptual Framework for Financial Reporting.</p> <p>7. Users, objective and scope of financial statements.</p> <p>8. Underlying assumption: going concern assumption.</p> <p>9. Fundamental qualitative characteristics: relevance and faithful representation.</p> <p>10. Elements of financial statements: assets, liabilities, equity, income, expenses and criteria for their recognition in financial statements.</p> <p>11. Measurement bases for elements of financial statements.</p> <p>12. Concepts of capital and capital maintenance.</p>	
Topic 2. Presentation of financial statements and disclosure of supplementary information	<p>1. Definition of related party, significant influence, key management personnel.</p> <p>2. Purpose of related party disclosures and related party disclosure procedures.</p> <p>3. Preparation and presentation of an entity's operating segments disclosure.</p> <p>4. Signs of hyperinflation.</p> <p>5. Content of an interim financial report, minimum components of an interim financial report, form and content of interim financial statements.</p> <p>6. Disclosure of information about changes presented in interim financial statements.</p> <p>7. Applying the recognition and measurement principles.</p> <p>8. Disclosure in annual financial statements.</p>	<p>Work with educational literature, normative acts, reference-informational bases and other Internet resources.</p> <p>Test preparation.</p> <p>Self-study of cases, solving practical problems.</p> <p>Execution of control work / computational and analytical work.</p>
Topic 3. Contents and presentation of the statement of financial position	<p>1. Subsequent costs.</p> <p>2. Definition and recognition criteria of property, plant and equipment.</p> <p>3. Definition of intangible assets.</p>	<p>Work with educational literature, normative acts, reference-informational bases and other Internet resources.</p>

	<p>4. Recognition criteria for intangible assets.</p> <p>5. Prohibited internally generated intangible assets.</p> <p>6. Disclosure.</p> <p>7. Definition of lease.</p> <p>8. Types of leases and their characteristics.</p> <p>9. Reflection of the lease in the financial statements of lessor and lessee.</p> <p>10. Definition of investment property.</p> <p>11. Disposals of investment property, reflection in the financial statements, disclosure requirements.</p> <p>12. Definition, recognition criteria for non-current assets held for sale.</p> <p>13. Disclosure.</p> <p>14. Definition and composition of inventories.</p> <p>15. Cost of inventories.</p> <p>16. Disclosure.</p> <p>17. Definition of financial instruments.</p> <p>18. Primary and derivative financial instruments.</p> <p>19. Equity instruments.</p> <p>20. Recognition and derecognition.</p> <p>21. Disclosure of financial instruments.</p> <p>22. Definition of current and contingent liabilities.</p> <p>23. Obligating event.</p> <p>24. Recognition of provisions.</p> <p>25. Changes in provisions.</p> <p>26. Use of provisions.</p> <p>27. Onerous contracts, restructuring.</p> <p>28. Disclosure.</p>	<p>Test preparation.</p> <p>Self-study of cases, solving practical problems.</p> <p>Execution of control work / computational and analytical work.</p>
<p>Topic 4. Contents and presentation of the statement of profit or loss and other comprehensive income</p>	<p>1. Definition of revenue.</p> <p>2. Disclosure.</p> <p>3. Definition and composition of borrowing costs.</p> <p>4. Borrowing costs eligible for capitalisation.</p> <p>5. Commencement, suspension and cessation of capitalisation.</p>	<p>Work with educational literature, normative acts, reference-informational bases and other Internet resources.</p> <p>Test preparation.</p> <p>Self-study of cases, solving</p>

	<p>6. Disclosure.</p> <p>7. Information about employee benefits and social security contributions.</p> <p>8. Types of employee benefits.</p> <p>9. Post-employment benefits: defined contribution plans, defined benefit plans.</p> <p>10. Disclosure.</p> <p>11. Equity settled share based payment transactions.</p> <p>12. Cash settled share based payment transactions.</p> <p>13. Measurement and recognition.</p> <p>14. Disclosure.</p> <p>15. Functional currency and presentation currency.</p> <p>16. Use of a presentation currency other than the functional currency.</p> <p>17. Meaning of the terms: dilution, anti-dilution, contingent share agreement, contingently issuable ordinary shares, options, warrants, ordinary share, potential ordinary share.</p> <p>18. Method for calculating basic earnings per share and diluted earnings per share.</p> <p>19. Presentation in the statement of financial statements.</p> <p>20. Disclosure.</p> <p>21. Current and deferred tax.</p> <p>22. Definition of tax base of an asset and a liability; definition of temporary differences.</p> <p>23. Disclosure.</p>	<p>practical problems.</p> <p>Execution of control work / computational and analytical work.</p>
<p>Topic 5. Preparation and presentation of the statement of cash flows and statement of changes in equity</p>	<p>1. Definition of cash equivalents.</p> <p>2. Types of cash flows.</p> <p>3. Meaning of the statement of cash flows.</p> <p>4. Cash Flow Statement Methods.</p> <p>5. Meaning of the statement of changes in equity.</p>	<p>Work with educational literature, normative acts, reference-informational bases and other Internet resources.</p> <p>Test preparation.</p> <p>Self-study of cases, solving</p>

		practical problems. Execution of control work / computational and analytical work.
Topic 6. Contents and procedure for preparation and presentation of the consolidated financial statements	<ol style="list-style-type: none"> 1. Recognising and measuring goodwill or a gain from a bargain purchase. 2. Exemption from preparing consolidated financial statements. 3. Preparation of the consolidated statement of financial position and statement of profit or loss and other comprehensive income. 4. Disclosure. 5. Disclosure of interests in other entities. 6. Separate financial statements. 7. Accounting of investments in subsidiaries, joint ventures and associates in separate financial statements. 8. Equity method in separate financial statements. 9. Disclosure requirements. 	<p>Work with educational literature, normative acts, reference-informational bases and other Internet resources.</p> <p>Test preparation.</p> <p>Self-study of cases, solving practical problems.</p>
Topic 7. Preparation and presentation of the financial statements taking into account industry features	<ol style="list-style-type: none"> 1. Definition of agricultural activity, biological asset, biological transformation. 2. Recognition and measurement of biological assets. 3. Disclosure. 4. Definition of insurance contracts. 5. Insurance liabilities. 6. Insurance risk. 7. Reinsurance contract. 8. Recognition and measurement. 9. Disclosure. 	<p>Work with educational literature, normative acts, reference-informational bases and other Internet resources.</p> <p>Test preparation.</p> <p>Self-study of cases, solving practical problems.</p>

6.2. List of questions/assignments/topics for students' preparation to formative assessment

Templates of questions the students need to answer when preparing for a control work / computational and analytical work

The accountant of Zabit Co has prepared the following trial balance as at 31 December 20X7.

	\$'000
50c ordinary shares (fully paid)	350
7% \$1 preference shares (fully paid)	100
10% loan stock (secured)	200
Retained earnings 1.1.X7	242
General reserve 1.1.X7	171
Land and buildings 1.1.X7 (cost)	430
Plant and machinery 1.1.X7 (cost)	830
Accumulated depreciation	
Buildings 1.1.X7	20
Plant and machinery 1.1.X7	222
Inventory 1.1.X7	190
Sales	2,695
Purchases	2,152
Preference dividend	7
Ordinary dividend (interim)	8
Loan interest	10
Wages and salaries	254
Light and heat	31
Sundry expenses	113
Suspense account	135
Trade accounts receivable	179
Trade accounts payable	195
Cash	126

Notes

1. Sundry expenses include \$9,000 paid in respect of insurance for the year ending 1 September 20X8. Light and heat does not include an invoice of \$3,000 for electricity for the 3 months ending 2 January 20X8, which was paid in February 20X8. Light and heat also includes \$20,000 relating to salespeople's commission.
2. The suspense account is in respect of the following items.

	\$'000
Proceeds from the issue of 100,000 ordinary shares	120
Proceeds from the sale of plant	300
	<hr/> 420
Less consideration for the acquisition of Mary & Co	285
	<hr/> 135

3. The net assets of Mary & Co were purchased on 3 March 20X7. Assets were valued as follows.

	\$'000
Investments	231
Inventory	34
	<hr/> 265

4. The property was acquired some years ago. The buildings element of the cost was estimated at \$100,000 and the estimated useful life of the assets was 50 years at the time of purchase. As at 31 December 20X7 the property is to be revalued at \$800,000.
5. The plant which was sold had cost \$350,000 and had a carrying amount of \$274,000 as at 1.1 X7. \$36,000 depreciation is to be charged on plant and machinery for 20X7.
6. The loan stock has been in issue for some years. The 50c ordinary shares all rank for dividends at the end of the year.
7. The management wish to provide for:
 - (i) Loan stock interest due
 - (ii) A transfer to general reserve of \$16,000

(iii) Audit fees of \$4,000

8. Inventory as at 31 December 20X7 was valued at \$220,000 (cost).

9. Taxation is to be ignored.

Required:

Prepare the financial statements of Zabit Co as at 31 December 20X7, including the statement of changes in equity. No other notes are required.

Templates of questions the students need to answer when preparing for a credit / written exam

Theoretical questions

1. The purpose of financial statements in accordance with IFRS.
2. Main users of financial statements.
3. Underlying assumptions for the preparation of financial statements.
4. Qualitative characteristics of useful financial information.
5. Elements of financial statements.
6. Recognition criteria for assets and liabilities in financial statements.
7. Measurement of assets and liabilities.
8. Concepts of Capital Maintenance.
9. Complete set of financial statements in accordance with IFRS.
10. Structure and content of financial statements in general.
11. Accounting policy: concept, procedure for making changes.
12. Examples of changes in accounting estimates.
13. Procedure for correcting prior period errors.
14. Book value definition.
15. Cash-generating units .
16. Concept of fair value.
17. Definition of impairment, determining and accounting for impairment.
18. Indications of impairment.
19. Assets that need to be tested for impairment even if there is no evidence of

impairment.

20. Definition and recognition of property, plant, and equipment.

21. Initial measurement of property, plant, and equipment.

22. Expenses that are not included in the initial cost of property, plant, and equipment.

23. Composition of subsequent costs and measurement of property, plant, and equipment.

24. The concept of depreciable amount.

25. Depreciation Methods for property, plant, and equipment.

26. Procedures for revaluation of property plant and equipment.

27. Procedure for disposal of property, plant, and equipment.

28. Definition of and criteria for recognition as an intangible asset.

29. Research and development: definition, examples.

30. Recognition of R&D projects as intangible assets.

31. Recognition and initial measurement of an intangible asset.

32. Initial and subsequent measurement of intangible assets.

33. Accounting for subsequent expenditure of intangible assets.

34. The disposal of an intangible asset.

35. Composition of borrowing costs.

36. Recognition of Borrowing Costs.

37. The concepts of lease, lessor, lessee, non-cancellable period of a lease, lease term, commencement date of the lease (commencement date).

38. Types of leases.

39. Reflection of the lease in the financial statements of lessor.

40. Reflection of the lease in the financial statements of lessee.

41. The definitions of initial direct costs, gross investment in the lease, net investment in the lease, unearned finance income, interest rate implicit in the lease, fixed payments.

42. Inventory and its classification.

43. Net realisable value.

44. Composition of cost of inventories, costs of purchase, costs of conversion.
45. The concept of fixed and variable overhead costs.
46. Procedure for accounting for other costs included in the cost of inventory.
47. Accounting for other costs included in the cost of inventory.
48. Classification of non-current assets as held for sale.
49. Discontinued operations.
50. Group disposal.
51. Classification of non-current asset or assets of a disposal group classified as held for sale.
52. Measurement of non-current asset or assets of a disposal group classified as held for sale.
53. Definition of financial instrument, financial asset, financial liability, derivative.
54. Recognition of Financial Instruments.
55. Initial and subsequent measurement of financial instruments.
56. Derecognition of financial assets and liabilities.
57. Definitions of provision, obligating event, contingent liability, contingent asset, onerous contract.
58. Recognition Provisions.
59. Initial recognition and measurement of provision.
60. Investment Property.
61. Conditions for recognition of investment property.
62. Initial and subsequent measurement of investment property.
63. Transfers to or from investment property classification.
64. Associates.
65. Existence and indicators of significant influence.
66. Joint venture.
67. Joint control.
68. Factors taken into account when assessing the existence of joint control.
69. Procedures for and presentation of consolidated financial statements.
70. Criteria for identifying the acquirer.

- 71. Business combination valuation.
- 72. Revenue: definition and measurement.
- 73. Revenue Recognition Steps.

Practice-oriented cases

Task 1.

The following information is available for Tomas Maxim's business for the year ended 31 December.

He started his business on 1 January.

	\$
Trade payables	6,400
Trade receivables	5,060
Purchases	16,100
Sales revenue	28,400
Motor van	1,700
Drawings	5,100
Insurance	174
General expenses	1,596
Rent	2,130
Salaries	4,162
Inventory at 31 December	2,050
Sales returns	200
Cash at bank	2,628
Cash in hand	50
Capital introduced	4,100

Required:

Prepare a statement of profit or loss for the year ended 31 December and a statement of financial position at that date.

Task 2.

Lucas Wagg, trading as Fairlock Fashions, ends his financial year on 31 March. At

1 April 20X8 he had goods in inventory valued at \$8,800. During the year to 31 March 20X9, he purchased goods costing \$48,000. Fashion goods which cost \$ 2,100 were still held in inventory at 31 March 20X9, and Lucas Wagg believes that these could only now be sold at a sale price of \$400. The goods still held in inventory at 31 March 20X9 (including the fashion goods) had an original purchase cost of \$7,600. Sales for the year were \$81,400.

Required:

Calculate the gross profit of Fairlock Fashions for the year ended 31 March 20X9.

Task 3.

Choose ONE correct answer

Irrecoverable debts are \$5,000. Trade receivables at the year end are \$120,000. If an allowance for receivables equivalent to 5% of trade receivables is required, what is the entry for irrecoverable debts and allowance for receivables in the statement of profit or loss?

A \$5,000

B \$11,000

C \$6,000

D \$10,750

3 An allowance for receivables

Task 4

Choose correct answer.

Making an allowance for receivables is an example of which concept?

A Accruals

B Going concern

C Materiality

D Fair presentation

Task 5

Choose correct answer.

What is included in the cost of purchase of inventories according to IAS 2?

A Purchase price less trade discount

B Purchase price plus transport costs less trade discount

C Purchase price less import duties less trade discount

D Purchase price plus import duties plus transport costs less trade discount

Task 6

What adjustments are made to the consolidated statement of profit or loss in respect of intra-group trading? Choose correct answer.

Hardy has a 90% subsidiary, Lawrence. During the year ended 31 December 20X9 Lawrence sold goods to Hardy for \$25,000, which was at a mark-up of 25%. At 31 December 20X9 \$10,000 of these goods remained unsold.

In the consolidated statement of profit or loss for the year ended 31 December 20X9, what will revenue be reduced by?

A \$18,750

B \$20,000

C \$22,500

D \$25,000

7. Mandatory and optional reading list

Legal regulations

1. Federal Law of December 6, 2011 N 402-Φ3 (as amended on December 31, 2017) "On Accounting".

2. Federal Law of July 27, 2010 N 208-Φ3 (as amended on July 18, 2017) "On Consolidated Financial Statements".

3. Conceptual framework for the presentation of financial statements. URL: <http://www.minfin.ru/>

4. Background information: "International Financial Reporting Standards and Explanations to them" (material prepared by ConsultantPlus specialists)

Mandatory reading list

5. International financial reporting standards: textbook / ed. V.G. Hetman. - Moscow: Infra-M, 2018 .- 624 p. International financial reporting standards [Electronic resource]: textbook / ed. V.G. Hetman. - 3rd ed., revised and add. - Moscow: INFRA-M, 2018. - 624 p. - (Higher education). - Access Mode: <http://znanium.com/catalog/product/765758>.

Optional reading list

6. Mizikovskij E.A., Druzhilovskaya E.S., Druzhilovskaya T.YU. Mezhdunarodnye standarty finansovoj otchetnosti. Uchebnik. – M.: Magistr, 2018. – 560 s.

7. Petrov A.M. Mezhdunarodnye standarty finansovoj otchetnosti: uchebnik. – M.: Vuzovskij uchebnik, Infra-M, - 2019. - 450 s.

8. Finansovij uchet: uchebnik / pod red. prof. V.G. Get'mana. – 6-e izd., pererab. i dop. – M.: INFRA-M, 2017. – 622 s. + dop. Materialy [Elektronnyj resurs, Rezhim dostupa <http://www.znanium.com>]. (Vysshee obrazovanie: Bakalavriat). – www.dx.doi.org/10.12737/24378.

9. MSFO: Tochka zreniya KPMG. Prakticheskoe rukovodstvo po Mezhdunarodnym standartam finansovoj otchetnosti. CHast' 1, 2, 3, 4. – M.: Maska. 2018. 4384 s.

10. Kniga: MSFO: Voprosy primeneniya. prakticheskoe rukovodstvo, v 2-h kn. – M.: Al'pina Pabliisher, 2018. – 2687 s. Periodical: Buhgalterskiy uchet; International Accounting. Korporativnaya finansovaya otchetnost'. Mezhdunarodnye standarty; MSFO na praktike; Vsyo dlya buhgaltera and others.

11. Newsletter: Vestnik MSFO, Novosti MSFO, Vzglyad na MSFO and others.

12. Newspapers: Finansovaya gazeta, Ekonomika i zhizn, Buhgalterskaya gazeta, Uchet. Nalogi. Pravo and others .

E-resources

1. <http://www.minfin.ru>

2. <http://www.ifrs.org>
3. <http://elib.f.a.ru/>
4. <http://www.book.ru>
5. <http://biblioclub.ru/>
6. <http://www.znaniy.com>
7. <https://www.biblio-online.ru/>
8. <http://elibrary.ru>
9. <http://grebennikon.ru>
10. <http://HЭБ.pф/>

8. List of IT resources, incl. the list of software, information and reference systems (as appropriate).

8.1. Software:

1. Windows, Microsoft Office software;
2. ESET Endpoint Security antivirus software.

8.2. Databases and information and reference systems

1. Consultant Plus legal information system.
2. Garant information and reference system.

8.3. Certified software/hardware used for information protection

No such software/hardware is used.