

IB9AX-15 Foundations of Financial and Management Accounting

26/27

Department

Warwick Business School

Level

Taught Postgraduate Level

Module leader

Ellertone Ndalama

Credit value

15

Module duration

9 weeks

Assessment

10% coursework, 90% exam

Study location

University of Warwick main campus, Coventry

Description

Introductory description

The module aims to provide a comprehensive introduction to financial reporting and management accounting. The unit adopts a user perspective, rather than a specialist accountant perspective.

[Module web page](#)

Module aims

By the end of the module, students will be able to prepare simple versions of the main financial statements; use financial statement information to analyse the performance of firms over time and across industries; and demonstrate an understanding of the role and the importance of the auditor and corporate governance in ensuring the quality of financial statement information and user confidence in this information.

Outline syllabus

This is an indicative module outline only to give an indication of the sort of topics that may be covered. Actual sessions held may differ.

1. Measuring and reporting financial position: overview of the main financial statements; classification of assets and liabilities; accounting conventions and concepts; basic construction and meaning of the statement of financial position.
2. Measuring and reporting financial performance: the relationship between the income statement and the statement of financial position; recognising revenue and expenses; layout of income statement; depreciation; cost of sales; basic construction and understanding of an income statement (profit and loss account).
3. Measuring and reporting cash flows: the importance of cash flow; differences between cash and profit; construction and analysis of basic cash flow statements.
4. Analysing and interpreting financial statements: using various ratios to enable a firm's performance to be analysed and compared to its peers or its own performance over time; limitations of ratio analysis.
5. Cost-volume-profit analysis: classification of costs; break-even analysis; using relevant costs to inform short-term decision-making.
6. Full costing in single and multi-product businesses; total absorption costing; introduction to activity-based costing.
7. Budgeting: the relationship between budgeting and strategy; how budgets link to each other; preparation of budgets; introduction to variance analysis; using budgets as control devices – behavioural considerations.

Learning outcomes

By the end of the module, students should be able to:

- Explain the nature and purpose of the three main financial statements and explain accounting conventions used in their construction
- Identify and evaluate major categories of ratios used for analysis purposes
- Explain the relationship between budgets/financial information, strategic objectives and strategic plans
- Interpret and analyse ratios in order to analyse financial position and financial performance of firm
- Interpret / analyse the results of investment appraisal calculations; explain which caveats management should note in using the numbers presented

Indicative reading list

[Reading lists can be found in Talis](#)

Interdisciplinary

Basic marketing and auditing issues are discussed

International

Use of international accounting standards by IASB board where relevant, use of case teaching

scenarios in international context

Subject specific skills

Construct simple versions of the three main financial statements from relevant information provided; calculate important ratios using financial statement information; demonstrate understanding of the limitations of ratios analysis

Calculate the returns expected from investment projects using various techniques; prepare simple reports which detail the results of investment appraisal calculations, make recommendations about which projects should be adopted; explain the shortfalls of each investment appraisal method

Transferable skills

Written communication

Study

Study time

Type	Required
Online learning (scheduled sessions)	10 sessions of 1 hour (7%)
Other activity	18 hours (12%)
Private study	48 hours (32%)
Assessment	74 hours (49%)
Total	150 hours

Private study description

Private study to include preparation for lectures and own reading

Other activity description

9 x 2 hrs F2F workshops

Costs

No further costs have been identified for this module.

Assessment

You do not need to pass all assessment components to pass the module.

Assessment group D6

	Weighting	Study time	Eligible for self-certification
Assessment component			
Class Participation	10%	7 hours	No

Reassessment component is the same

Assessment component

Centrally-timetabled examination (On-campus)	90%	67 hours	No
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- Answerbook Pink (12 page)
- Students may use a calculator

Reassessment component is the same

Feedback on assessment

Feedback via my.wbs

[Past exam papers for IB9AX](#)

Availability

Courses

Course availability information is based on the current academic year, so it may change.

This module is Core for:

- Year 1 of TIBS-N1F2 Postgraduate Taught Business with Consulting
- Year 1 of TIBS-N1F3 Postgraduate Taught Business with Marketing
- Year 1 of TIBS-N1QG Postgraduate Taught Business with Operations Management
- Year 1 of TIBS-N1F4 Postgraduate Taught International Business (MINT)