

## **COURSE OUTLINE**

<b>Course Code / Title</b>	:	HE3112 Financial Accounting for Economists
<b>Pre-requisites</b>	:	HE2001 Microeconomics II HE2002 Macroeconomics II
<b>No. of AUs.</b>	:	3
<b>Contact Hours</b>	:	39 hours (2 hours lecture + 1 hour tutorial)

### **Course Aims**

This course seeks to equip you with the knowledge of financial accounting and its relevance in the study of Economics. By understanding the underlying principles in the preparation of financial statements, you will be able to critically evaluate the use of financial data in the economy. This will allow you to measure the performance of firms and macroeconomic outlook more precisely.

### **Intended Learning Outcomes (ILO)**

- Explain how Financial Statements (Income Statement, Balance Sheet and Statement of Cash Flows) are being prepared.
- Discuss how International Financial Reporting Standards (IFRS) and economic assumptions impact Financial Statements.
- Evaluate performance of firms and macroeconomic outlook through changes in financial ratios.

### **Course Content**

1. Fundamentals of Financial Accounting
2. Elements of Financial Statements
3. Financial Data and the economy

### Course Assessment (To be specific)

Class Participation	: 10%
Group Presentation	: 20%
Quizzes	: 20%
Final Examination	: 50%
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<b>Total</b>	<b>100%</b>

### Reading and References

Deegan, C. (2013). Financial Accounting Theory (4th ed) McGraw Hill.

Laux, C., & Leuz, C. (2010). Did fair-value accounting contribute to the financial crisis?. Journal of economic perspectives, 24(1), 93-118

Williams, J., Haka, S., Bettner, M., Carcello, J., Lam, N., & Lau, P. (2019) Financial Accounting International Financial Reporting Standards Asia Global Edition (2nd ed). McGraw Hill

DeFond, M., Hu, J., Hung, M., & Li, S. (2020). The effect of fair value accounting on the performance evaluation role of earnings. Journal of Accounting and Economics, 70(2-3), 101341

Konchitchki, Y., & Xie, J. (2023). Undisclosed material inflation risk. Journal of Monetary Economics

### Course Instructors

Instructor	Office Location	Phone	Email
Dr Chua Yeow Hwee	SHHK-04-62	6790 4983	yeowhwee.chua@ntu.edu.sg

## Planned Weekly Schedule

Week	Topic	ILO	Readings/ Activities
1	Principles of Financial Accounting	1,2	Williams et al. (2019) Chapter 1
2	Capturing Economic Events	1,2	Williams et al. (2019) Chapter 2,3
3	Accounting Cycle	1,2	Williams et al. (2019) Chapter 4,5
4	Non-Current Asset	1,2	Williams et al. (2019) Chapter 9
5	Inventories	1,2	Williams et al. (2019) Chapter 6,8
6	Evaluating Credit Risk	1,2,3	Williams et al. (2019) Chapter 7, 14
7	Mid Term Quiz	1,2,3	-
<b>Recess Week</b>			
8	Liabilities	1,2,3	Williams et al. (2019) Chapter 10
9	Equity	1,2,3	Williams et al. (2019) Chapter 11
10	Cash Flow Statement	1,2,3	Williams et al. (2019) Chapter 13
11	Globalization	2,3	Deegan (2014) Chapter 5, Williams et al. (2019) Chapter 15
12	Inflation	2,3	Deegan (2014) Chapter 5 Konchitchki, Y., & Xie, J. (2023)
13	Fair Value Accounting	2,3	Laux, C., & Leuz, C. (2010); Defond et al. (2020)