



INSTITUT FÜR RECHNUNGSWESEN
UND WIRTSCHAFTSPRÜFUNG

Summer Term 2024

International Accounting

Syllabus

Subject to minor changes – please check back often

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Moodle: <https://moodle.lmu.de/course/view.php?id=32252>
Password: fairvalue2024

LMUCast: [LMUCast \(Lecture Videos\)](#)

Welcome to *International Accounting*!

This syllabus is intended to make the course objectives, contents, materials, structure and requirements transparent for you. We hope that it will help you obtain the greatest possible benefit from the course. It also lays out what we expect of you.

Please read it carefully before the first class session!

We're committed to providing you a valuable learning experience. To achieve that, it is important that you frequently use our communication channels and do your best to "stay with it": Use Moodle for this course and the "Teaching / Lehre" section of our website. Much will depend on you staying up to date and studying regularly, ideally with other students.

Please e-mail me personally at sellhorn@lmu.de with any suggestions, comments, or concerns.

Sincerely yours,

Thorsten Sellhorn and the RWP team

as of 15 April 2024

Changes to previous versions are marked in green.

1 Course objectives

International Financial Reporting Standards (IFRS) are the global financial language. In more than 100 countries around the globe, firms prepare their financial statements according to these international rules. In the EU, publicly traded parent companies – including well-known German “global players” such as Siemens, Bayer, DeliveryHero, or SAP – apply IFRS in their consolidated financial statements. This systematic introduction intends to help you acquire four **competencies**:

1. **Knowledge** about the institutional and conceptual foundations of IFRS (to make you appreciate why IFRS are relevant for firms, who makes them, and what they intend to achieve) as well as the most important IFRS topics and requirements of relevance to practitioners (i.e. to managers, auditors, regulators, analysts and investors) as well as accounting researchers;
2. **Structured reasoning** (some call it ‘algorithmic thinking’) skills: by practicing how to map (‘translate’) firms’ economic activities into their financial statements according to both conceptual criteria and concrete IFRS requirements; and
3. **Critical thinking, professional judgment, and financial intuition**: by appreciating the earnings management potential within IFRS, by applying analysis techniques to IFRS financial statements, and by considering the effects of IFRS numbers on the decisions of financial statement users.
4. **Sustainability reporting**: Compared to prior semesters, we updated this course to reflect the current expansion of corporate reporting by environmental, social, and governance (ESG) and sustainability-related aspects, in two ways. First, there is a dynamic evolution of separate sustainability reporting standards that will complement financial reporting standards such as IFRS. Second, these ESG matters, primarily climate change, also affect the financial statements themselves. These increasingly relevant topics will be highlighted throughout course discussions.

These competencies are relevant for several **professional roles**:

- as *financial managers and preparers* of financial statements (the focus of “Technik des betrieblichen Rechnungswesens”, “Internes und externes Rechnungswesen” and “Unternehmensrechnung”); and as *users, auditors and analysts* of IFRS financial statements (the focus of our course “[Financial Statement Analysis and Valuation](#)”).
- and as *auditors* of IFRS financial statements (the focus of our course “[Trends in Corporate Governance and Audit](#)”); and
- as *users and analysts* of financial information (the focus of our courses “[Financial Statement Analysis and Valuation](#)” and “[Transaktionsbezogene Unternehmensbewertung](#)”).

This course also prepares you for **subsequent coursework** in Accounting (e.g., our “[Seminar in Accounting, Auditing and Analysis](#)”, a [Bachelor thesis](#) at our Institute, as well as [Master’s-level classes](#)), and for professional exposure to financial topics in internships or in your future occupations. If you are interested in more practical insights into auditing you might want to attend “[Trends in Corporate Governance and Audit](#)” by Prof. Plendl and Mr. Pinckernelle.

2 How to get the most out of this course

This course requires you to do some preparation, which you should, for your own maximum benefit, ideally complete in advance of each session.

Financial reporting requires more than applying the standard, boilerplate tools and checklist-type approaches. In this spirit, this course adopts a *framework-based teaching approach* to IFRS, which relates the principles and concepts in the International Accounting Standards Board’s (IASB) Conceptual

Framework for Financial Reporting to particular IFRS requirements applicable to concrete transactions and events. This approach hones your ability to exercise professional judgment in applying, auditing and analyzing IFRS financial statements. It is also consistent with life-long learning, as detailed IFRS requirements will change more quickly than fundamental concepts. Finally, in order to provide frequent 'reality checks' and enhance the applicability of the material in your professional lives, we are involving experienced practitioners throughout the course.

The learning benefits that you will get out of this course are directly proportional to the effort you are willing and able to invest. Our in-class sessions will be more profitable for you the better you are prepared. **Therefore, we assume that you will have read the slides before class.** Do not expect every lecture slide to be discussed, or every aspect/topic to be explained at length, in the in-class sessions. You can, however, expect the in-class sessions to convey a pretty good expression of what we consider most relevant and important. The video archive and the section guides on Moodle are meant to provide you with in-depth explanations and background.

3 Materials

3.1 Communication

All course material is available – and all course communication takes place – on Moodle.

Name: **International Accounting SoSe 2024**

Link: <https://moodle.lmu.de/course/view.php?id=32252>

Password: fairvalue2024

Please use the Moodle Forum as a Q&A platform to exchange information about the lecture and tutorials, and to answer each other's questions. Also, please review Moodle and this syllabus frequently for any current updates, and also **check your LMU e-mail** for course announcements.

3.2 Lectures

The **lecture** sessions will be held in-class (see Course Structure). In these weekly sessions, we will review the material from the slides but focus on discuss applications and exam-type cases. Please remember that these sessions do not repeat 1:1 what was presented in the slides, but should be used to answer your questions, as well as highlight and practice issues of special relevance.

The **tutorial** sessions will also be held in-class. Please be sure to prepare the question sets in advance to get the greatest learning benefit out of these sessions.

3.3 Readings

3.3.1 Overview

We will be using materials from different sources. All relevant readings for this course are listed below. Part of them are available as PDF files for download on Moodle. The purpose of the readings is to prepare you for class discussions and tutorials, to help you read up on issues discussed in class, and to assist your exam preparation. People differ in what kind of readings they find most helpful. Therefore, we provide a range of different materials, all of which can be used. We encourage you to read selectively

and purposefully, based on your level of background knowledge, and as needed to understand the issues covered in the lectures and tutorials.

3.3.2. [Section Guides](#)

All course materials are organized into distinct topic sections (see the list of topics below). On Moodle, you will find a 'Section Guide' that covers each topic of the course ([Link](#)). Each topic section contains a problem-based introduction, learning objectives for the section, a list of relevant readings, a summary of the material covered in the section, and a list of FAQs and answers. The Section Guide serves to help you prepare for class and, ultimately, the final exam. We highly recommend that you begin your preparation for each session by reading the relevant topic section in the Section Guide to get an overview.

3.3.3 IFRS requirements

Most sections discuss one or more IFRS pronouncements; these are listed in the Section Guides. The standards are generally accessible in the following ways:

- IASB website (need to register): <https://t1p.de/5xsr>;
- Several text editions, some of them bilingual, such as: International Financial Reporting Standards (IFRS) 2022: English & German Edition. Wiley-VCH; and
- The website hosting the Official EU-endorsed IFRS: <https://t1p.de/pb19m>

In order to get an overview of a specific IFRS, you may find it useful to start by reading a high-level summary, which can be found in German (or English) under www.iasplus.com/de (www.iasplus.com/en-gb?set_language=en-gb).

3.3.4 Textbook

The most relevant readings are chapters taken from the following textbook:

Pellens/Fülbier/Gassen/Sellhorn, **Internationale Rechnungslegung**, 11th edition, Schäffer-Poeschel 2021 (German) [*Pellens et al. (2021)*]

This leading IFRS text provides in-depth coverage of all important IFRS requirements and gives a history of international financial reporting from a German perspective. All IFRS requirements are compared to those according to the German Commercial Code and the IFRS for SMEs. The book features numerous illustrative examples, exercises and problems. As our core text, parts of it form the basis of this course. It sells for €39.95 in book stores/on Amazon. The previous edition is also available in the university library with signature 0599/QP 820 P386(10) and [as an ebook version](#).

On Moodle, we provide **complimentary English translations** of the relevant Pellens et al. (2021) textbook chapters.

3.4 Other materials

3.4.1 Annual reports

We will be using the Volkswagen Annual Report for 2023 as well as other company filings throughout the course to illustrate the material covered. Please download it from Moodle. Please feel free to also use other firms' reports. Good ones include Bayer, BMW, Henkel, Linde, Siemens, or ThyssenKrupp.

3.4.2 IFRS in your pocket

Deloitte has published the 17th edition of their popular guide to IFRS: "[IFRS in Your Pocket 2023](#)". This compact guide includes information about:

- The IASB organisation — its structure, membership, due process, contact information, and a chronology
- Use of IFRSs around the world, including updates on Europe, United States, Canada, and elsewhere in the Americas and Asia-Pacific
- Recent pronouncements — those which are effective and those which can be early adopted
- Summaries of current Standards and related Interpretations, as well as the Conceptual Framework for Financial Reporting and the Preface to IFRSs
- IASB agenda projects and active research topics
- IFRS Interpretations Committee's current agenda topics
- Other useful IASB-related information.

Download it [here](#).

3.4.3 Press articles and research papers

Press articles and research papers that pertain to course contents will be discussed in class. Please alert us to pertinent additional articles that you think are useful and interesting.

3.4.4 Useful websites

Websites of financial accounting standard setters

- International Accounting Standards Board (IASB): www.ifrs.org
- U. S. Securities and Exchange Commission: www.sec.gov
- Financial Accounting Standards Board (FASB): www.fasb.org
- Accounting Standards Committee of Germany (ASCG): www.drsc.de
- European Financial Reporting Advisory Group (EFRAG) endorsement update: www.efrag.org/

Useful news sources on (international) financial accounting

- Current news on (international) financial accounting developments on Deloitte's websites at www.iasplus.com (English) or www.iasplus.de (German).
- Newsletters from CFO magazine (www.cfo.com; English) and Accounting Standards Committee of Germany (ASCG)

4 Instruction format, requirements and grading

This course consists of (1) self-study and preparation, (2) lecture videos and in-class lecture sessions, (3) in-class tutorial sessions, and (4) a final exam. All relevant information and materials can be found in Moodle.

- To prepare for each class, you should carefully study the Section Guides. **The Section Guides feature information about the *Learning objectives* and the relevant *Study materials*.**
- Lecture videos and in-class sessions focus on adding value to the materials covered in the readings, by relating concrete requirements to the conceptual underpinnings of IFRS, by reinforcing and practicing key points, by discussing advanced issues and earnings management potential, by evaluating economic consequences, and by studying examples from practice and

research. Practitioner guest lectures will support us. Due to time constraints, we will have to prioritize.

- Before the tutorials, you should attempt to tackle the questions in the problem set (available on Moodle) on your own. We will then discuss these questions and answer your questions during the tutorial in-class sessions. These exercises will deepen your understanding of the relevant material and make you familiar with question types to be expected on the exam.
- During the lectures, there will be practitioner guest lectures. These lectures also cover relevant material for the course and are therefore just as relevant for the exam as all other lectures.
- The final exam will test you on topics that we have actually spent time on in class. Towards the end of the course, we will summarize the relevant material for you. For all information regarding your study program and integration possibilities (PO 2015 etc.), please refer to the LSF. Grading is 100% based on the final exam. **The registration for the exam takes place on LSF (Deadline: 4 July 2024). The exam will be closed book and on-premise (Tuesday 16 July 2024, Time 8-10 AM, Room M118)**

5 Course structure

TUESDAY 08.30-10.00, W201		WEDNESDAY 08.30-10.00, M105	
16 April	Why International Accounting? (L)	17 April	No Tutorial
23 April	Global Reporting Landscape (L)	24 April	Why International Accounting? Global Reporting Landscape (T, PS1)
30 April	Conceptual Framework (L)	1 May	Public Holiday
7 May	IFRS Financial Statements (L)	8 May	Conceptual Framework and IFRS Financial Statements (T, PS2)
14 May	Revenue Recognition (Guest Lecture EY)	15 May	Revenue Recognition (Guest Tutorial EY)
21 May	Public Holiday	22 May	Income Taxes (L)
28 May	Income Taxes (T, PS3)	29 May	Intangible Assets (L)
4 June	Tangible Assets (L) ZOOM (Link)	5 June	Intangible & Tangible Assets (T, PS4)
11 June	Impairment of Assets (L) ZOOM (Link)	12 June	Impairment of Assets (T, PS5)
18 June	Provisions and Contingent Liabilities (L)	19 June	Provisions (T, PS6)
25 June	Financial Instruments (Guest Lecture pbb / Allianz)	26 June	Financial Instruments (T, PS7)
2 July	Advanced Topics in a Nutshell (L)	3 July	Advanced Topics in a Nutshell (T, PS8)
9 July	Pre-Exam Review (L)	10 July	Mock Exam (T)
16 July	Exam (in room Geschw.-Scholl-Pl. M118)		

(L): Lecture; (T): Tutorial; (PS): Problem Set

6 Contact

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