Aims and scope of the course

This IFRS-Module focuses on the accounting and reporting of Property, Plant and Equipment (IAS16) and Inventory (IAS2) and covers the related IFRS.

The Module introduces the learner to the subject, guides the learner through the official text (Standards), develops the learner’s understanding of the requirements using examples and indicates significant judgements that are required in accounting for Property, Plant and Equipment and Inventory.

Furthermore, the module includes questions designed to test the learner’s knowledge and to develop the learner’s ability the accounting of PPE and Inventory based on IFRS

Learning objectives

Upon successful completion of this module you should know the financial reporting requirements for property, plant and equipment in accordance with the IFRS for firms

Furthermore, through the completion of case studies that simulate aspects of the real-world application of that knowledge, students must enhance their ability to account the property, plant and equipment and Inventory in the context of the IFRS for firms:

Main purposes:

- to distinguish items of Property, plant and equipment and Inventory from other assets of an entity
- to identify when items of Property, plant and equipment and Inventory qualify for recognition in financial statements
- to measure items of Property, plant and equipment and Inventory on initial recognition and subsequently
- to present and disclose Property, plant and equipment and Inventory in financial statements
- to identify when an item of Property, plant and equipment and Inventory is to be derecognised or transferred to another classification of asset, and account for that derecognition or transfer
- to demonstrate an understanding of the significant judgements that are required in accounting for Property, plant and equipment and Inventory.

Learning outcomes, competences

The Course is to enable you to critically assess the accounting and financial figures for the Property Plant and Equipment and Inventory related topics.

During the course you will develop a deep understanding of the use of PPE and Inventory tools in the context of global markets.

You will learn how to think in financial terms and develop the methods that will help you weigh financial risks when valuing underlying real assets
Course outline/Syllabus

1. Recognition of PPE and Measurement after recognition
2. Journal Entries under Cost model
3. Journal Entries under Revaluation Model
4. Asset Impairment Accounting and Impairment Test
5. Depreciation Methods
6. Asset Disposal (Derecognition)
7. Midterm Exam 1
8. Recognition of Inventory and Measurement after recognition
9. Journal Entries of Inventories
10. FIFO and LIFO methods
11. Average cost or specific identification.
12. Asset Disposal (Derecognition)
13. Midterm Exam 2
14. FINAL EXAM: Case Study

Requirement and assessment

Active participation in the Distance Learning/Course and continuous learning during the semester is required.

The students must take part actively and learn continuously on the distance learning system (www.lengvelpiroska.hu Moodle platform, International Accounting Basics Course). The distance course with its learning materials, lectures and interactive exercises helps the students’ preparing for the midterm exams and the final exam.

The students must sit midterm exams (in total two exams) during semester and the final exam at the end of the semester. The results of these exams will be accepted in final grade based on below grading guidelines:

<table>
<thead>
<tr>
<th>Assessment components</th>
<th>Value in the final grade</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterm exam 1.</td>
<td>(min. 50%)</td>
<td>Property, Plant and Equipment (IAS16) and Impairment Losses (IAS36)</td>
</tr>
<tr>
<td>In the virtual classroom</td>
<td></td>
<td>Inventory (IAS2)</td>
</tr>
<tr>
<td>Midterm exam 2.</td>
<td>(min. 50%)</td>
<td>Inventory (IAS2)</td>
</tr>
<tr>
<td>In the virtual classroom</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Midterm exams in total</td>
<td>50 %</td>
<td>Case study: to make financial decision</td>
</tr>
<tr>
<td>Final exam</td>
<td>50 %</td>
<td></td>
</tr>
<tr>
<td>In traditional classroom</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

If the student doesn’t fulfil the 50% result based on Midterm exams, she/he cannot participate on the final exam.

Extra points: (OPTIONAL)

Every week the students can get a playful-task from teacher based on learning material of the actual week. For example, to prepare IFRS -rules from accounting terms or identify which accounting term describes the given examples, or to complete the crossword....

These playful tasks will count in the final grade based on extra points, which can increase the final grade with 10%.

Grade: the grades are determined by the following percentages of total points earned.

<table>
<thead>
<tr>
<th>Results of the exams in percentage</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>91 – 100 %</td>
<td>excellent, 5</td>
</tr>
<tr>
<td>81 – 90 %</td>
<td>very good, 4</td>
</tr>
<tr>
<td>71 – 80 %</td>
<td>fair, 3</td>
</tr>
<tr>
<td>61 – 70 %</td>
<td>acceptable, 2</td>
</tr>
<tr>
<td>0 – 60 %</td>
<td>fail, 1</td>
</tr>
</tbody>
</table>
Compulsory readings


2. IAS16 Property, Plant and Equipment

3. IAS 36 Impairment Losses of Assets

4. IAS2 Inventory

Recommended readings:
Interpretation and Application of IFRS Standards (Wiley Regulatory Reporting) 2018, 1st Edition