

Guidelines for the in-depth course „Accounting and Auditing”

In the Bachelor’s programme of study Business Administration

1. Introduction and motivation

At the moment the domain of financial accounting is changing fundamentally. Capital market oriented companies in the European Union have to conduct their consolidated financial statements according to the International Financial Reporting Standards (IFRS). Medium-sized companies also prepare their accounts more and more according to the IFRS, as they hope for improved opportunities and conditions for the raising of borrowed capital (Basel II). Therefore, with respect to accounting decision-relevant information increasingly comes to the fore. In addition, the system of corporate disclosure has been expanded by numerous elements concerning compulsory disclosure (e.g. statements during the period) on the one hand and voluntary additional information (e.g. sustainability reports and performance ratios) on the other hand.

Special emphasis is placed on the underlying entry techniques, since even international accounts eventually base on bookkeeping. As there still is the obligation for the companies to draw up national accounts for profit distribution and tax assessment purposes, the HGB (commercial code) regulations are explained with the same intensity to some extent; in addition, tax law and US-GAAP are covered to a smaller extent. This way, the students are well prepared for assignments in globally acting companies as well as medium sized enterprises.

Questions of company evaluation and group accounting are also treated. Managerial accounting and aspects of controlling are selectively taken up, provided that there are contextual relations between the two fields of managerial and financial accounting. Managerial and financial accounting are now more and more converging, i.e. the data generated in these domains are of relevance for managerial control purposes as well as for the stakeholder’s decisions. The study module Unternehmensbewertung - company evaluation, the often so called “ultimate discipline of economics” gives a theoretical and practical introduction in the methods of evaluation of companies; these methods are also increasingly used in the context of International Financial Accounting. Another course covers the particularities of the preparation of consolidated financial statements.

2. Educational goal and contents

Educational goal of the course of studies is the imparting of theoretical and practical knowledge for problem solving purposes in the field of accounting. By acquiring basic knowledge, the students will be enabled to make use of this knowledge, to analyze and to evaluate problems, as well as to deduce solutions for problems of average complexity, which are structured similarly or new. The qualification goals of each module are stated in the study regulations, which are to be found on the website of the Bachelor's programme of study.

The students are expected to show dedication and interest in methodology and figures. The in-depth course is intended to prepare for practical entrepreneurial assignments as well as for subsequent Master studies to which also the FACTS Master's programme of study of the Freie Universitaet Berlin belongs: (<http://www.wiwiss.fu-berlin.de/studium-lehre/master/facts/index.html>).

3. Contents of the in-depth course and bachelor thesis

The in-depth course "Accounting and Auditing" consists of the mandatory module Internationale und Nationale Unternehmenspublizität - "International and national corporate disclosure" and an additional module. We recommend to choose Konzernrechnungslegung und Unternehmensbewertung - "group accounting and company evaluation" as additional module. For further details, please consult the currently valid study and examination regulations for the Bachelor's programme Business Administration and the course documents on the website of the Chair of Accounting and Auditing. We also recommend the "research seminar FACTS", a preparation course for the writing of a bachelor thesis. Additional information concerning the bachelor thesis is also given at the information meeting of the chair, which takes place once a year at least. (http://www.wiwiss.fu-berlin.de/institute/pruefungs-steuerlehre/ruhnke/Aktuelles/Erstellung_einer_Bachelor-Arbeit.html)

Precondition for the writing of a bachelor thesis in the field of Accounting and Auditing is the registration in the Bachelor's programme of study Business Administration with the FU Berlin and successfully completed study modules comprising 90 credit points. We urgently recommend to complete the mandatory module Internationale und Nationale Unternehmenspublizität - "International and national corporate disclosure" beforehand. As only a limited number of bachelor theses can be supervised by the Chair, the applicants (if the number of applicants is higher than the number of theses which can be supervised) are selected by special criteria; these will probably be the exams passed so far, the grades obtained in these examinations und above all the grade of the mandatory module mentioned before. Suggestions for subjects of the theses or further details can be found on http://www.wiwiss.fu-berlin.de/institute/pruefungs-steuerlehre/ruhnke/Lehre/Bachelor_Studium/Bachelor-Arbeit/index.html.

Guest lectures (within the Dahlem Lectures on FACTS <http://www.lectures-on-facts.de/> or within the FACTS scientific workshop) are also part of the course programme.

4. Professional assignments, combinations of modules and career prospects

Against the background of the offered programme of study manifold kinds of professional opportunities open up. Not only do the fields of accounting and finance and the auditing companies offer different assignments, but also do the fields of management, corporate planning, consultancy, internal audit and investor relations as well as corporate finance. According to experience, more than half of the students choose the direct access to a company outside the field of auditing.

Many students decide in favour of the classical career: They start with an auditing or tax consultancy company. In time, the professional exams are sat to receive the title of a tax consultant and/or auditor (Wirtschaftsprüfer – WP). Precondition for the admission to the exams is a regular practical occupation as auditor or tax consultant. For further information on the job outline of an auditor have a look at the website of the Wirtschaftsprüferkammer (WPK): <http://www.wpk.de/publikationen/>.

According to § 9 section 1 Wirtschaftsprüferordnung (WPO), the period of practical occupation after the final degree required for the auditor's exam is three years. Hererof, the applicant must have participated in audits of annual accounts and in writing of the audit reports for at least two years (§ 9 section 4 WPO). The auditor's exam consists of 7 supervised papers. (§ 7 Wirtschaftsprüferprüfungsverordnung).

The FU Berlin put in an application – with kind financial support of PricewaterhouseCoopers – for a reduced examination with accreditation of equivalent study results according to § 13b WPO (accreditation of study results for the auditor's examination). This first application has been decided upon positively, i.e. it is possible for first-year students (starting their studies from winter semester 11/12) to have accredited two supervised exams (ABWL – general business administration / VWL – economics), provided that also the subsequent applications regarding the accreditation will be positively decided upon by the Wirtschaftsprüferkammer. Therefore, with the final degree of the bachelor programme of study only five supervised exams have to be sat to pass the WP exam! A further precondition is that a certain combination of courses is chosen and a supplementary oral and written exam needs to be passed. Further details: http://www.wiwiss.fu-berlin.de/institute/pruefungs-steuerlehre/ruhnke/Anerkennung_gem_13b_WPO/index.html.

Quite often, alumni change (before or after sitting the professional exams) to companies apart from the auditing or tax consultancy field. Such applicants are frequently addressed explicitly in job postings. Therefore, a decision for the WP exam doesn't mean to put all eggs into one basket. On the contrary, it offers manifold possibilities of professional development. Working as an auditor requires a broad comprehension of the client's business on the one hand and safe bookkeeping on the other. In the era of PC, Internet and e-commerce an assistant is no longer requested to monotonously tick off long figure columns. However, a good feeling for figures is necessary. Risk oriented audits of the clients' processes and systems have become standard by now. Here, not only analytical thinking and the ability to work in a team are important, but also empathy and the intuition to ask the clients the appropriate questions.

Students who are interested to enter upon the field of Auditing and Taxation are strongly recommended to attend the in-depth courses (modules) which need to be completed for the accreditation of equivalency of the two supervised exams for the auditor's exam. If this is not of interest to you, many suitable combinations of courses are recommendable (e.g. business taxation, controlling, finance). Also a combination with the in-depth courses business information technology or management can make sense. Should you plan to enroll for a Master's programme of study or even Ph.D. studies, a course combination with econometrics is advisable (you should particularly enroll in inferential statistics). Please do not hesitate to ask the members of our chair, we shall be glad to help you! When deciding upon the combination with other in-depth courses, you should take into consideration your own interest and what you expect from your future professional occupation.

In spite of a difficult job market the career prospects are momentarily very good. This applies to the field of accounting as well as to the field of auditing. Graduates of the course programme with a good degree and a suitable course combination shouldn't have any problems to find an interesting job position, from which they can start their careers. Nevertheless, a certain job-related mobility will be expected. But also in related areas, e.g. the strategic management, you will only

be professionally successful if you have well-founded basic knowledge of accounting. Therefore, we would advise you to inform yourself in time about the possibilities offered. An internship will help you to form your own opinion about the question whether you would like to apply directly to a company or whether you would prefer the classic career of a tax consultant or an auditor.

The team of the Chair for Accounting and Auditing

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