

Guidelines for the advanced course „Unternehmensrechnung“ (Accounting) in the Bachelor programme Business Administration and Economics

1. Introduction and motivation

At the moment the domain of financial accounting is changing fundamentally. From 2005, capital market oriented companies in the European Union have had to conduct their consolidated financial statements according to the International Financial Reporting Standards (IFRS). Also medium-sized companies prepare their accounts more and more according to 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 becomes important. Furthermore, the system of corporate disclosure has been expanded by further 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. Here, special emphasis is placed on the underlying entry techniques, since even international accounts eventually base on bookkeeping. As companies are still obliged to draw up national accounts for profit distribution and tax assessment purposes, to some extent the HGB regulations are explained with the same intensity; tax law and US-GAAP are covered to a smaller extent. Of course, also amendments of the HGB due to the Bilanzrechtsmodernisierungsgesetz BilMoG (Accounting Law Modernization Act), which are of vital importance, are taken up. This way, the students are well prepared for assignments in globally acting companies as well as medium sized enterprises.

Questions of managerial accounting respective controlling, company evaluation and auditing and group accounting are separately treated. Managerial accounting refers to controlling and coordinating concepts of the management and leading departments for result oriented planning and support of entrepreneurial activities. 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. Furthermore, the domain of company evaluation, the often so called "ultimate discipline of business administration" gives a theoretical and practical introduction in the methods of the 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 (a further part of financial accounting).

2. Educational objectives 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 similarly structured or new.

The qualification objectives of each module are stated in the study regulations which are available on the homepage of the Bachelor programme: http://www.wiwiss.fu-berlin.de/institute/pruefungs-steuerlehre/hundsdoerfer/info_center_bachelor/tabelle/index.html.

The students are expected to show dedication and interest in methodology and figures. The advanced course is intended to prepare for practical entrepreneurial assignments as well as for subsequent Master studies (to which also the FACTS Master studies of the Freie Universitaet Berlin belong: http://www.wiwiss.fu-berlin.de/institute/pruefungs-steuerlehre/ruhnke/Lehre/Master_Studium/FACTS_-_Master/index.html).

3. Contents of the advanced course and bachelor thesis

The advanced course "Unternehmensrechnung" (accounting) consists of the modules "Unternehmensrechnung I" (accounting I) and "Unternehmensrechnung II" (accounting II). The module "Unternehmensrechnung I (accounting I) deals above all with the field of financial accounting according to the standards of the German Commercial Code (HGB) and the IFRS. Within the module "Unternehmensrechnung II" (accounting II) two of the three following subjects have to be chosen: "Interne Unternehmensrechnung für Fortgeschrittene" (advanced managerial accounting), "Unternehmensbewertung" (company evaluation) and "Konzernrechnungslegung" (group accounting). For details, please consult the currently valid study and examination regulations of the Business Administration study programme as well as the course documents on the home page of the Chair. Guest lectures (also in the context of the Dahlem Lectures of FACTS; <http://www.lectures-on-facts.de/>) accompany the course programme. Seminars are not offered. The current courses are shown in the course program (Studienverlaufsplan).

Precondition for the writing of a bachelor thesis at the Chair of Accounting and Auditing is the successful passing of the advanced course "Unternehmensrechnung" (accounting). As only a limited number of bachelor theses can be supervised by the Chair, the applicants 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 advanced course "Unternehmensrechnung" (accounting). The subjects will be given at certain dates. Details on the awarding of bachelor theses will be given in due time.

4. Professional assignments, combinations of modules and career prospects

Against the background of the offered programme of study manifold kinds of professional opportunities are open. 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 the half of the students chose 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 employment as auditor or tax consultant. For further information on the job outline of an auditor (WP) please consult the home page of the Chamber of Public auditors (Wirtschaftsprüferkammer - WPK; <http://www.wpk.de/publikationen/publikationen.asp>).

According to § 9, 1 Wirtschaftsprüferordnung (WPO), the period of practical employment 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, 2 WPO). The auditor's exam consists of 7 supervised papers. (§ 7 Wirtschaftsprüferprüfungsverordnung).

The FU Berlin has put in an application – with kind financial support of Pricewaterhouse Coopers (<http://www.pwc.de/portal/pub>) – for a reduced examination with accreditation of equivalent study results according to § 13b WPO (accreditation of study results for the WP examination). Provided that the application is decided upon positively, it will be possible to accredit two supervised exams (ABWL – general business administration / VWL – economics), i.e. with the final degree of the bachelor programme of study only five supervised exams have to be sat to reach the WP exam. A further precondition is that you successfully pass a supplementary oral exam after the successful attendance of the advanced course “Unternehmensrechnung” (accounting). Further details will be given in due time. This regulation will presumably apply for all students who have began their bachelor studies from the winter semester 2007/08. Students who have began their studies earlier should, from the point of view of the members of the Chair, not have any difficulty in having these supervised exams individually accredited by the WPK. In the context of the Master programme of study (FACTS Master at the Freie Universitaet Berlin) the accreditation of a further supervised exam (law) is planned.

Quite often, alumni change after a few years (before or after sitting the professional exams) to a company. Such applicants are frequently addressed explicitly in job postings. Therefore, a decision for the auditor's 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 a safe bookkeeping technique on the other. In the era of PC, Internet and e-commerce an auditing assistant is no longer requested to monotonously tick off long figure columns. However, a good feeling for figures is necessary. Risk orientated 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 accounting and auditing are strongly recommended to attend the following advanced subjects (modules): “Unternehmensrechnung” (financial accounting), “Finanzierung” (finance), “Betriebswirtschaftliche Steuerlehre” (business taxation) and “Arbeits-, Handels- und Gesellschaftsrecht” (industrial law, commercial law and company law). In the case that the field of management is of particular interest a combination of the subjects “Unternehmensrechnung” (accounting) with “Strategie und Kooperation” (strategy and cooperation) as well as with “Finanzierung” (finance) or “Betriebswirtschaftliche Steuerlehre” (business taxation) is recommended. In individual cases also a combination with “Entscheidungsunterstützung” (decision support) may be reasonable. If the subsequent beginning of a Master programme of study or possibly a doctoral thesis is planned, also a

combination with “Statistik” (statistics) and “Ökonometrie” (econometrics) seems to be of advantage. Should you have questions, please do not hesitate to contact the team of Chair. We shall be glad to help! When deciding upon the combination with other advanced courses, you should take into consideration your own interest and what you expect from your future professional employment.

In spite of a difficult job market the career prospects excellent now. This applies to the field of accounting as well as to the field of auditing. Graduates with a good diploma and a suitable course combination shouldn't have any problems to find interesting job positions, from where 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 sound 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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