



DESCRIPTION OF THE STUDY SUBJECT (MODULE)

Subject (module) name	Code
Accounting and Management of Financial Instruments	18-09-2024

Annotation
The subject of Accounting and Management of Financial Instruments, included in the study program, details the accounting issues of financial assets and liabilities, deepens knowledge about the operation of the securities market and forms the thinking necessary for the analysis of transactions of financial instruments and the accounting of business operations. During the study of the subject, the main operating principles of the market of financial instruments and the types of transactions that determine the nature of accounting methods are examined, the types of financial instruments are distinguished, the stages of the accounting cycle are identified and the accounting features of investing in shares, bonds and derivative financial instruments are revealed.

Teacher(s)	Unit(s)
Coordinating: j. assist . Daiva Raziūnienė Other(s):	Faculty of Economics and Business Administration Department of Accounting and Auditing

Degree of study	Subject (module) type
The first	Mandatory

Implementation form	Period of execution	Execution language(s)
Auditorium	Autumn (3) semester	Lithuanian language

Requirements for the student	
Pre-requisites: Financial Accounting	Co-requisites (if applicable): There is no

Scope of the subject (module) in credits	Full student workload	Contact hours	Hours of independent work
5	130	48	82

Purpose of the subject (module): competences developed in the study program
<p><i>Purpose of the subject :</i> The subject of accounting and management of financial instruments is intended to: acquire knowledge about capital market products (securities/financial instruments and their usage methods, understand the accounting system of financial instruments and be able to perform the accounting steps of the main economic operations related to financial instruments.</p> <p><i>General competence and goals of the study program:</i> 1.1. Will be able to communicate effectively in writing and orally, convey accounting and finance knowledge to specialists and non-specialists, following professional ethics based on international codes of ethics applicable to accounting and auditing professionals, and citizenship. 1.2. Will be able to discuss constructively, work independently and in a team, act tolerantly in multicultural and international groups and organizations. 2.2. Will demonstrate creative thinking skills, will be able to make innovative decisions.</p> <p><i>Subject competence and study program goals:</i> 3.3. Will know and be able to apply economic and statistical data collection, systematization and analysis methods, will be able to prepare various reports, taking into account the functions of various types of accounting, the general</p>

accounting policy of the organization, information technologies and the requirements and methods of providing accounting information to external and internal users.

4.1. Will be able to collect, process, systematize and evaluate economic, financial, statistical, accounting data and information, using the latest information search sources and applying modern methods of its processing and systematization, conduct research and present conclusions based on research results.

5.3. Will be able to analyze, evaluate and forecast the organization's indicators, identify accounting and financial management problems, choosing complex technological, organizational and methodological tools, applying a systemic and global approach, formulating conclusions, summaries, proposals.

Study objectives of the study program	Study goals of the subject (module).	Study methods	Evaluation methods
1.1.	Will know and be able to identify the problems of applying the ethical principles of the international code of ethics in the field of financial instruments management and accounting	Lectures; Analysis of situations and participation in discussions; VMA tasks; Lecture of social partners from an international audit company.	Midterm assessment; Examination; Participation in activities carried out by social partners.
1.2.	Will be able to prepare fact-based arguments for discussions and form an independent opinion to achieve teamwork results	Working with the texts of legal acts, VMA tasks	Midterm assessment Evaluative self-monitoring tasks in the VMA environment Exam
2.2.	Will demonstrate creative thinking abilities in the formation of securities accounting policy, will be able to make innovative decisions regarding the selection of securities accounting methods	Analysis of situations and participation in discussions VMA tasks	Midterm assessment Evaluative self-monitoring tasks in the VMA environment Exam
3.3.	Will know and be able to apply systematization methods, will be able to compile various securities management and accounting reports, will know the methods of providing securities accounting information to various users	lectures, Solving tasks, Creating reports, VMA tasks	Midterm assessment Evaluative self-monitoring tasks in the VMA environment Exam
4.1.	Will be able to collect, process accounting data and information, using the latest information and applying appropriate systematization and analysis methods, perform accounting record checking and control actions	Lectures case study, Solving tasks VMA tasks	Midterm assessment Evaluative self-monitoring tasks in the VMA environment Exam
5.3.	Will know the basic decisions of securities	Lectures Solving tasks VMA tasks	Midterm assessment Exam

	management, which determine the methods of representation of accounting transactions and types of records	Lecture of social partners from an international audit company.	Participation in activities carried out by social partners.
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Themes	Contact hours							Self-study time and tasks	
	Lectures	Consultations	Seminars	Exercises	lab works	Practice	All contact work	Self-employment	Tasks
Introductory lecture. Subject content. Literature sources, discussion of topics. Billing requirements. Evaluation criteria and discussion of independent work during studies.	1						1		
Topic 1. Principles of operation of the market of financial instruments, participants, services and types of financing instruments	2			2			4	12	Analysis of literature sources, Finding relevant information, Discussion
Topic 2. Accounting system of financial instruments Levels of the accounting system of financial instruments: the highest and the lowest. Principles of accounting for financial instruments. Management of accounts of financial instruments and methods of execution of operations.	1			2			3	6	Solving practical tasks, Analysis of the situation
Topic 3. Supervisory system of financial instrument markets Prerequisites for supervision of financial markets Levels, methods and tools of financial market supervision. The supervision model applied by the Bank of Lithuania.	2			2			4	8	Solving tasks and tests
Topic 4. Accounting of investments in associated companies. Determining the significant effect and financial reporting of investments in associates. Applying the equity method. Application of the cost method.	2			2			4	8	Solving tasks and tests
Topic 5. Equity accounting Accounting of authorized capital. Accounting for share premiums. Accounting of revaluation reserve (results).	4			2			6	12	Business accounting standards analysis tasks,

Mandatory reserve accounting. Accounting of the reserve for the purchase of own shares. Accounting for other reserves and retained earnings (losses).								tests, Completion of VMA tasks
Topic 6. Accounting of financial obligations Concept of financial obligations. Initial recognition and measurement of financial liabilities. Subsequent assessment of financial obligations. Write-off of financial liabilities. The fair value of the financial liability. Gains and losses on changes in the value of a financial liability. Exemptions apply to very small businesses.	6			2			8	12 Business accounting standards analysis tasks, tests, Completion of VMA tasks
Topic 7. Accounting of financial assets Concept of financial assets, division into groups (sale, maturity, granted loans and receivables). Recognition and valuation of financial assets. Subsequent valuation of financial assets. Write-off of financial assets. Fair value of financial assets. Depreciation of financial assets. Gains and losses due to changes in the value of financial assets. Exemptions apply to very small businesses.	6			2			8	12 Business accounting standards analysis tasks, tests, Completion of VMA tasks
Topic 8. Accounting of derivative financial instruments Basic concepts and essence of financial instruments. Derivatives and hedging instruments. Recognition and accounting of derivatives. Determining the fair value of derivatives. Evaluation of hedging effectiveness. Accounting for the use of hedging instruments in the event of changes in fair value and cash flows and exchange rate changes. Principles of depreciation and amortization.	6			2			8	12 Business accounting standards analysis tasks, tests, Completion of VMA tasks
<i>Social partner lecture and/or visit to an international company</i>	2						2	
Altogether	32			16			48	82

Evaluation strategy	Weight %	Time	Evaluation Criteria
Midterm assessment	30	9th week of the semester	The situation analysis task and the answers to open-ended questions are evaluated according to the rules of the VU evaluation criteria using a ten-point system.
Presentation in class	20	During the semester	Excellent: Completed assignments are submitted on time or before the deadline. The content of the answer and the presentation of information are consistent, logically argued, in correct language, without grammatical and style errors, appropriate professional terms are used that correspond to the question under consideration, Very Good/Good : Completed assignments are submitted on time or before the deadline. The content

			and presentation of the answer is consistent but has apparently random inaccuracies, correct language is used, free of grammatical and stylistic errors, and appropriate professional terms are used that are relevant to the question at hand, Average: tasks are submitted during additional (extended) task completion time, performs more than 2/3 tasks independently; there are minor errors or inaccuracies in decisions, there are few language errors. Satisfactory/Poor: The assignment is late and an extension of the assignment is requested, 50% completed. tasks; significant errors and inaccuracies are made. It is not evaluated if it performs less than 50%. tasks and/or such logical and calculation errors are made that lead to incorrect decisions in the analysis of the situation.
Exam	50	During the session	COMPOUND GRADE = MIDTERM TEST*0,30 +PRESENTATION*0,20+ EXAM*0,50 Answers to open- and closed-type test-type questions are evaluated on a scale of ten points, applying VU evaluation rules
Extern exam	100	Individually arranged time	Exam tasks include three parts: open questions, closed type tests, situation analysis. It is evaluated according to the evaluation criteria of VU, using a scale of ten points.

The author	Release year	Title	Periodical no. or publication volume	Place of release and publisher or online link
Required reading				
R. Venkanta Subramani	2009	Accounting for Investments (Equities , Futures and options)		https://www.amazon.co.uk/Accounting-Investments-Equities-Futures-Options/dp/047082431X
Fabozzi, Modigliani , Ferri , Jones	2012	Foundations of Financial Markets and Institutions		Prentice Hall , New Jersey
Additional literature				
Legal acts regulating the accounting of financial instruments		Business Accounting Standards	8, 15, 18, 26.	
Valakevičius , E.	2008	Investing in financial markets.		KTU, Technology
Kalinauskas, V.	2003	Management and improvement of investments in securities in Lithuania.		Economic theory and practice. Money studies . No. 3, p. 50-63.
Kancerevyčius G.	2004	Finance and Investments		Kaunas: Smaltija publishing house
Lileikienė A., Stašys R., Rimkevičienė A.	2005	Features of the Baltic securities market		Management, no. 1 (6).

IAS		IFRS9 Financial instruments		https://www.iasplus.com/en/standards/ifrs/ifrs9#link3
ACCA		Accounting of financial instruments/measures 12/07/2022		https://www.accaglobal.com/gb/en/student/exam-support-resources/fundamentals-exams-study-resources/f7/technical-articles/what-financial-instrument.html
Hull . JC	2002	Fundamentals of Futures and Options Markets		Prentice Hall , New Jersey
Fischer, Jordan	2014	Securities analysis and Portfolio Management		Prentice Hall , New Jersey
K. Laurinavicius	2001	Transfer of ownership to VP		https://www.lb.lt/uploads/publications/docs/34205_67b88cc7379ebd5893_92b3d48307491d.pdf