# Subject card

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| Subject name and code | Accounting for Financial Institutions, PG_00157152 | | | | | |
| Field of study | Finance and Accounting | | | | | |
| Date of commencement of studies | October 2024 | | Academic year of realisation of subject | | 2024/2025 | |
| Education level | Master's studies | | Subject group | | Obligatory subject group in the field of study<br>Subject group related to scientific research in the field of study | |
| Mode of study | part-time studies | | Mode of delivery | | at the university | |
| Year of study | 1 | | Language of instruction | | Polish | |
| Semester of study | 2 | | ECTS credits | | 6.0 | |
| Learning profile | academic | | Assessment form | | exam | |
| Conducting unit | Zakład Rachunkowości Finansowej -> Department of Accounting -> Faculty of Management -> Rector | | | | | |
| Name and surname of lecturer (lecturers) | Subject supervisor | | dr hab. Arleta Szadziewska | | | |
| | Teachers | | dr hab. Arleta Szadziewska<br>dr Ewa Spigarska | | | |
| Lesson types | Lesson type | Lecture | Tutorial | Laboratory | Project | Seminar | SUM |
| | Number of study hours | 16.0 | 16.0 | 0.0 | 0.0 | 0.0 | 32 |
| | E-learning hours included: 0.0 | | | | | | |
| Learning activity and number of study hours | Learning activity | Participation in didactic classes included in study plan | Participation in consultation hours | Self-study | SUM | |
| | Number of study hours | 32 | 30.0 | 88.0 | 150 | |

| Subject objectives | The aim of the course is to familiarize students with the principles of financial accounting, with a focus on two main areas:<br><br>**1. Financial Accounting for Entities Operating under Specific Financial Regulations**<br><br>This includes businesses operating under the following laws and regulations: the Banking Law, the Act on Trading in Financial Instruments, the Investment Funds Regulations, the Cooperative Savings and Credit Unions Act, and the Payment Institutions Act, in accordance with the Accounting Act and International Accounting Standards (IAS). Key topics include:<br><br>• identifying and classifying events whose effects must be recorded and presented in the financial statements of these entities,<br>• selecting and applying appropriate principles for the initial, current, and balance sheet valuation of assets and liabilities specific to these entities,<br>• documenting and recording transactions in general ledger and subsidiary ledgers, and presenting them in financial statements. This covers operating, investment, and financial activities, as well as transactions unique to banking, brokerage, cooperative savings and credit unions, and payment institutions,<br>• assessing the correctness of inventory procedures in these entities,<br>• documenting, valuing, and recording operations involving derivative financial instruments and hedge accounting,<br>• determining and documenting the financial result and posting transactions related to profit allocation,<br>• applying specific accounting principles relevant to the entities mentioned.<br><br>**2. Financial Accounting for Insurance and Reinsurance Entities, and Pension Funds**<br><br>This section addresses financial accounting for entities operating under the Act on Insurance and Reinsurance Activities, and the Act on the Organization and Operation of Pension Funds, according to the Accounting Act and IAS. Topics include:<br><br>• identifying and classifying events that should be recorded and presented in the financial statements of insurance and reinsurance entities.,Selecting appropriate valuation methods for assets and liabilities in these entities.<br>• documenting and recording operating, investment, and financial activities, with a focus on transactions unique to insurance and reinsurance activities,<br>• assessing the accuracy of inventory procedures, especially in relation to policy forms or other documents confirming the conclusion of insurance contracts,<br>• determining the technical and financial results for insurance and reinsurance entities, and documenting related transactions,<br>• applying specific accounting principles to pension fund entities. |
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| Learning outcomes | Course outcome | Subject outcome | Method of verification |
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| | [FiRMU2_K04] Integrity: - the student adheres to the principles of business ethics and takes action to comply with these principles, - respects the law, - is objective, can perceive conflicts of interest, - correctly identifies and resolves dilemmas related to the practice of the profession. | The student remains open to changes in legal regulations concerning accounting and is committed to acting in accordance with both legal requirements and the ethical principles of the accounting profession. | [SK4] test/exam - oral or written<br>[SK5] implementation of a problem task |
| | [FiRMU2_W08] The student has in-depth knowledge of the formation and economic functioning of organizations commercial and public, their forms, phases of development, as well as financial conditions determining their value and economic success. | The student knows the basic elements of the annual financial statements of a bank and an insurance undertaking and the principles allowing the financial position of these undertakings to be assessed on that basis.<br>He/she knows the basic principles for the valuation of balance sheet categories and the determination of the financial result of a bank and an insurance institution.<br>He/she is sensitive to comply with the legal regulations and ethics of the accounting profession. | [SW4] test/exam - oral or written<br>[SW5] implementation of a problem task |
| | [FiRMU2_U05] The student correctly uses normative systems and selected norms and rules (legal, professional, moral) to solve in-depth problems in finance and accounting. The student has the ability to efficiently use the normative system appropriate to his specialty. | The student is able to discuss:<br>- the differences between fair value, historical cost, and amortized cost valuation;<br>- apply these valuation methods to the items in financial institution statements. | [SU3] text preparation/written work<br>[SU5] implementation of a problem task |
| | [FiRMU2_U06] The student creatively uses the acquired knowledge in various scopes and forms to solve problems in finance and accounting that arise in business practice. The student knows the limitations of the usefulness of the applied knowledge. | The student understands the principles of preparing a statement of financial position and a statement of comprehensive income for a bank and can identify the stakeholders who use the information presented in these components of the annual financial statements. | [SU4] test/exam - oral or written<br>[SU5] implementation of a problem task |
| | [FiRMU2_K01] Self-improvement: - understands the need for development and lifelong learning, - inspires others to learn, - is able to supplement and improve the acquired knowledge and skills, expanded by the interdisciplinary dimension, - knows his strengths and weaknesses, sets ambitious goals to the best of his ability, - knows how to reconcile with failure, admit to a mistake. | The student understands the need to continuously expand and improve knowledge acquired in accounting. He/she is able to expand and improve the acquired knowledge and skills related to the preparation of financial statements of financial institutions. | [SK4] test/exam - oral or written<br>[SK5] implementation of a problem task |
| | [FiRMU2_W02] The student has an extended and organized knowledge of various types of economic structures and institutions and the changes occurring in them, particularly the banking system, insurance system, tax system, financial markets, and organization of the public finance system and private sector. The student knows the interrelationships between these structures and social institutions on a national and international scale. | The student has basic knowledge of the banking system.<br>He/she knows the principles of creation and economic functioning of commercial banks and economic insurance companies, as well as factors influencing their activity and further development. | [SW4] test/exam - oral or written<br>[SW5] implementation of a problem task |
| | [FiRMU2_K05] Responsibility: - meets deadlines, - is able to set priorities appropriately in order to complete the task set before him, - is able to foresee the social consequences of his actions, - consistently strives to achieve the set goal, - is able to work systematically and independently,- respects the rules and norms of social coexistence. | The student remains open to changes in regulations concerning the preparation of financial statements. | [SK4] test/exam - oral or written<br>[SK5] implementation of a problem task |

| Course outcome | Subject outcome | Method of verification |
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| [FiRMU2_W06] The student has in-depth knowledge of norms and rules (legal, organizational, moral and ethical) in finance and accounting.<br>The student knows and understands the concepts and principles of industrial property protection and copyright law. | The student knows and understands the basic principles of preparing the annual financial statements of a bank and an insurance company. | [SW4] test/exam - oral or written<br>[SW5] implementation of a problem task |
| [FiRMU2_U01] The student understands and can correctly interpret complex economic phenomena in finance and accounting and basic ones in other social sciences.The student understands and can explain in depth the content of communications of economic institutions, articles in the press and magazines in the field of finance. The student correctly applies concepts of social sciences. | The student correctly classifies the balance sheet and result categories of a bank and an insurance company. | [SU4] test/exam - oral or written<br>[SU5] implementation of a problem task |

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| Subject contents | A. Financial Accounting for Entities Operating under the Banking Law, the Act on Trading in Financial Instruments, the Investment Fund Regulations, the Act on Cooperative Savings and Credit Unions, and the Act on Payment Institutions in accordance with the Accounting Act and International Accounting Standards (IAS)<br><br>1. Initial, current, and balance sheet valuation of individual assets and liabilities.<br>2. Recording in the accounting records of economic events related to operating, investment, and financial activities, as described in section 1.1.2 of the program content within the subject of Financial Reporting Standards. This includes operations specific to banking, brokerage, investment, cooperative savings and credit unions, and payment institutions, particularly:<br><br>- Domestic and cross-border monetary settlements and other banking operations.<br>- Settlements with the central bank, financial market entities, and other institutions.<br>- Financial instruments, including:<br><br>• Receivables from credits, loans, purchased receivables, etc.<br>• Securities and shares.<br><br>- Assets taken over for debts.<br>- Financial liabilities, including deposits.<br>- Contingent liabilities, such as those arising from granted collateral (guarantees, pledges, etc.) and purchase and sale operations with a repurchase clause.<br><br>- Income and costs from interest, commissions, and other activities affecting results from banking, brokerage, investment activities, cooperative savings and credit unions, and payment institutions.<br>- Operating costs of a bank, fund, investment company (including brokerage houses or banks conducting brokerage activities), cooperative savings and credit unions, and payment institutions.<br>- Write-offs for impairment of receivables, updating their value, and creating or releasing reserves, including for contingent liabilities.<br>- Brokerage activities and operations conducted in investment funds, cooperative savings and credit unions, and payment institutions.<br><br>3. The specific nature of inventories in banks, brokerage houses, investment funds, cooperative savings and credit unions, and payment institutions.<br>4. Recognition in the accounting records of differences between initial, current, and balance sheet valuations.<br>5. Valuation and accounting treatment of derivative financial instruments and the application of hedge accounting.<br>6. Determination and settlement of the financial result.<br>7. Detailed accounting principles for investment firms and payment institutions.<br><br>B. Financial Accounting for Entities Conducting Business under the Act on Insurance and Reinsurance Activity and the Act on the Organization and Operation of Pension Funds in accordance with the Accounting Act and International Accounting Standards (IAS)<br><br>1.<br>Initial and balance sheet valuation of individual assets and liabilities.<br><br>2.<br>Recognition in the accounting records of economic events related to operating, investment, and financial activities, as described in section 1.1.2 of the program content within the subject of Financial Reporting Standards. This includes operations specific to insurance and reinsurance activities, particularly:<br><br>• Investment activities, including revenue and costs associated with such activities.<br>• Reinsurance, including settlements with reinsurers and their shares in balance sheet and result items.<br>• Receivables from policyholders and insurance intermediaries.<br>• Subordinated liabilities.<br>• Creation and release of gross and net technical and insurance reserves.<br>• Liabilities from direct insurance.<br>• Special funds.<br>• Income from premiums.<br>• Payment of compensations and benefits.<br>• Acquisition costs.<br>• Administrative costs. |

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| | 3. Recognition in the accounting records of differences between initial, current, and balance sheet valuations.<br><br>4. Accounting for other technical costs and revenues, as well as other operating costs and revenues. |
| Prerequisites and co-requisites | The student has:<br><br>• knowledge of the functioning of banks and insurance companies and their role in the economy,<br>• knowledge of accounting principles,<br>• the ability to prepare basic financial statement elements (balance sheet, profit and loss account, additional information),<br>• knowledge of financial reporting principles and the basics of economic law (including the principles governing the operation of commercial law companies). |
| Assessment methods and criteria | see table below |

| Subject passing criteria | Passing threshold | Percentage of the final grade |
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| Written examination with problem tasks and test questions. | 51.0% | 100.0% |

| Recommended reading | | |
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| | Basic literature | 1. M. Iwanicz-Drozdowska, Zarządzanie finansowe bankiem w erze cyfrowej, PWE, Warszawa 2021<br>2. E. Popowska, W. Wąsowski, Rachunkowość bankowa po zmianach, Difin, Warszawa 2008<br>3. E. Orechwa- Maliszewska, E. Worobiej Sprawozdawczość i analiza finansowa banku, Białystok 2003<br>4. Obowiązujące regulacje sporządzania sprawozdań finansowych w bankach oraz instytucjach ubezpieczeniowych (MSSFy oraz MSRy) |
| | Supplementary literature | Due to the lack of up-to-date literature, published reports from banks and insurance companies, as well as applicable financial reporting standards, will be used. |
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| Example issues/ example questions/ tasks being completed | |
| Work placement | Not applicable |