

MODULE DESCRIPTOR

Module Title

Oil & Gas Accounting

Reference	BSM156	Version	5
Created	August 2021	SCQF Level	SCQF 11
Approved	September 2018	SCQF Points	15
Amended	August 2021	ECTS Points	7.5

Aims of Module

To provide students with the skills and knowledge to understand and critically evaluate the upstream reporting practices and the nature and function of management accounting within oil and gas companies.

Learning Outcomes for Module

On completion of this module, students are expected to be able to:

- 1 Understand the unique features of oil and gas exploration and production activities and critically evaluate the use of historical cost methods, depreciation, depletion and amortisation methods, and asset impairment considerations that underpin the preparation of accounts for oil and gas exploration and production companies.
- 2 Understand and critically discuss the accounting treatment and disclosure challenges in relation to setting an international accounting standard for the oil and gas industry.
- 3 Explain the purpose and nature of Joint Venture (JV) Operating Agreements and critically evaluate the related JV Accounting Procedures as well as JV audit requirements and issues.
- 4 Discuss and critically evaluate the nature of capital and operating expenditures and their behaviour and approaches to budgeting, financial and project controls and variance reporting.
- 5 Analyse and critically comment on commonly used reserves accounting ratios and performance measurement for oil and gas companies.

Indicative Module Content

Introduction to oil and gas accounting. Different phases of exploration and production (E&P) activities and related accounting treatments in each phase. Issues facing the International Accounting Standards Board in setting a comprehensive accounting standard for the oil industry. Joint Venture agreements and accounting procedures. Operating expenditure. Capital expenditure. Auditing in the oil and gas industry. Reserves Accounting Ratios. Performance Measurement.

Module Delivery

This is a lecture-based module supplemented with tutorials/workshops/seminars and directed study.

Indicative Student Workload

	Full Time	Part Time
Contact Hours	36	N/A
Non-Contact Hours	114	N/A
Placement/Work-Based Learning Experience [Notional] Hours	N/A	N/A
TOTAL	150	N/A
<i>Actual Placement hours for professional, statutory or regulatory body</i>		

ASSESSMENT PLAN

If a major/minor model is used and box is ticked, % weightings below are indicative only.

Component 1

Type:	Examination	Weighting:	100%	Outcomes Assessed:	1, 2, 3, 4, 5
Description:	Closed book examination				

MODULE PERFORMANCE DESCRIPTOR**Explanatory Text**

Component 1 comprises 100% of the module grade. To pass the module, a D grade is required.

Module Grade	Minimum Requirements to achieve Module Grade:
A	A
B	B
C	C
D	D
E	E
F	F
NS	Non-submission of work by published deadline or non-attendance for examination

Module Requirements

Prerequisites for Module	None.
Corequisites for module	None.
Precluded Modules	None.

INDICATIVE BIBLIOGRAPHY

- 1 WRIGHT, C. J., 2016. *Fundamentals of oil and gas accounting*. 6th ed. Tulsa, OK: PennWell.
- 2 ROBERTS, P., 2015. *Joint Operating Agreements*. 3rd ed. London: Globe Law and Business. ebook
- 3 The UK Standard Oil Accounting Procedures (SOAPs) and FRSs 100-102.
- 4 The IASB Extractive Industries discussion paper (2010).