### ALLIANCE UNIVERSITY COLLEGE



# BUS 200 Introduction to Financial Accounting (3) Fall 2004 Instructor: David Mills, CA

**Contacting the Instructor** 

**Office: 801 Office Phone: 410-2000** 

Class Times: Tues 6-8:5 p.m.

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## **Course Description**

According to the 2004–2005 Alliance University College calendar, BUS 200 "focuses on the accounting concepts and procedures involved in recording and reporting the organization and operation of business corporations. In addition to the accounting principles, students also learn how to read and interpret financial statements." The syllabus will focus on the conceptual framework and technical application of Canadian accounting standards used in the preparation of general purpose financial statements of profit oriented corporations and how those statements are analysed and used within a decision-making context. Accordingly, the objectives of the course are to develop

- a basic understanding of the international economic and social developments affecting the Canadian financial accounting environment,
- a basic understanding of the conceptual framework supporting the evolution of Canadian generally accepted accounting principles (GAAP),
- a basic level of technical competence in applying GAAP with respect to the preparation of financial statements, and
- a basic level of technical competence in analysing and using financial statements to support the business decision-making process.

### **Required Textbook**

Financial Accounting: Tools for Business Decision-Making, Second Canadian Edition Kimmel, Weygandt, Kieso, Trenholm

### Mark Allocation and Exam Dates and Coverage

Midterm exam # 1	30%	Tuesday October 5	Chapters 1 – 6
Midterm exam # 2	30%	Tuesday November 9	Chapters 7 – 11
Final exam	40%	Tuesday December 14	Chapters 1 – 14

#### **Grading Scale**

A +	95 - 100%	В	74 - 77%	C –	60 - 62%
A	89 - 94%	$\mathrm{B}$ $-$	70 - 73%	D +	55 - 59%
A -	83 - 88%	C +	67 - 69%	D	50 - 54%
B +	78 - 82%	C	63 - 66%	F	0 - 49%

#### **Policies and Regulations**

Participants in this course will be expected to know and follow the university policies and academic regulations as found in the 2004–2005 Alliance University College calendar.

Classes will include lectures, discussion of issues raised and review of recommended exercises and problems. Achievement will be enhanced by attending class, studying the lecture notes, textbook and hand-out material, completing recommended exercises and problems, participating in discussions and seeking assistance from the instructor when required.

The final grade will be determined solely by achievement on the three examinations. These exams will be designed to test the conceptual understanding and procedural application of the material covered by the syllabus, and will be patterned after the recommended exercises and problems. Students who are unable to write a midterm exam will have its weighting added to that of the final exam, provided they have a valid reason supported with proper documentation; else they will receive a mark of zero.

### **Syllabus**

Chapter 1 Introduction to Financial Statements

- purpose of financial accounting and financial statements
- elements of financial statements
- recognition and measurement criteria
- forms of business organization
- financial statement assumptions, principles and constraints

#### Chapter 2 A Further Look at Financial Statements

- transaction recording
- purpose and format of the balance sheet
- cash flow statement investing and financing transactions

### Chapter 3 The Accounting Information System

- purpose and format of the income statement
- cash flow statement operating transactions

#### Chapter 4 Accrual Accounting Concepts

- adjusting and closing entries
- summary of the accounting cycle
- purpose and format of the statement of retained earnings

## Chapter 5 Merchandising Operations

- merchandising transaction recording
- purpose and format of the multiple-step income statement

### Chapter 6 Reporting and Analysing Inventory

- perpetual inventory system
- cost flow assumptions
- write-downs

### Chapter 7 Internal Control and Cash

- internal control of cash
- bank reconciliation
- cash budgeting

#### Chapter 8 Reporting and Analysing Receivables

- recognition and valuation of accounts receivable
- interest on notes receivable

### Chapter 9 Reporting and Analysing Long-Lived Assets

- cost of property, plant and equipment
- amortization methods
- disposition
- intangible assets

### Chapter 10 Reporting and Analysing Liabilities

- current liabilities
- bonds payable
  - premium and discount amortization
- mortgages

### Chapter 11 Reporting and Analysing Shareholders' Equity

- common and preferred stock
- retained earnings and dividends

### Chapter 12 Reporting and Analysing Investments

- temporary debt investments
- temporary equity investments
- long term debt investments
- long term equity investments
  - not significantly influenced

- significantly influenced
- controlled
- joint venture

## Chapter 13 Cash Flow Statement

- purpose and format
- direct and indirect methods of preparation
- cash flow statement analysis

## Chapter 14 Performance Measurement

- interpretation of extraordinary items and discontinued operations
- accounting policy changes
- financial statement analysis
  - vertical and horizontal
  - ratio

## **Tentative Weekly Schedule**

Week # 1	September 14	Chapters 1 and 2
Week # 2	September 21	Chapters 3 and 4
Week # 3	September 28	Chapters 5 and 6 and appendix 6A
Week #4	October 5	Midterm exam # 1
Week # 5	October 12	Chapters 7 and 8
Week # 6	October 19	Chapter 9 and appendix 9A
Week # 7	October 26	Chapter 10 and appendix 10A
Week # 8	November 2	Chapter 11
Week # 9	November 9	Midterm exam # 2
Week # 10	November 16	Chapter 12
Week # 11	November 23	Chapter 13
Week # 12	November 30	Chapters 13 and 14 and appendices 14A and 14B
Week # 13	December 7	Chapter 14 and appendices 14A and 14B
Final Week	December 14	Final exam

# **Recommended Exercises and Problems**

Chapter	Exercises	Problems
1		
2	E2-3, E2-4	P2-4A, P2-4B
3	E3-7, E3-9, E3-10, E3-15	P3-5A, P3-7A, P3-10A, P3-5B,
		P3-7B, P3-10B
4	E4-1, E4-5, E4-11	P4-1A, P4-5A, P4-7A, P4-9A,
		P4-11A, P4-1B, P4-5B, P4-7B,
		P4-9B, P4-11B
5	E5-1, E5-2	P5-4A, P5-6A, P5-4B, P5-6B
6 & 6A	E6-11, E6-12, E6-13	P6-9A, P6-10A, P6-9B, P6-10B
7	E7-8	P7-5A, P7-6A, P7-9A, P7-10A,
		P7-5B, P7-6B, P7-9B, P7-10B
8	E8-2, E8-5	P8-3A, P8-4A, P8-6A, P8-7A,
		P8-3B, P8-4B, P8-6B, P8-7B
9 & 9A	E9-8, E9-11	P9-3A, P9-6A, P9-11A, P9-12A,
		P9-3B, P9-6B, P9-11B, P9-12B
10 & 10A	E10-1, E10-2, E10-6, E10-7,	P10-6A, P10-10A, P10-11A,
	E10-8, E10-13, E10-14	P10-6B, P10-10B, P10-11B
11	E11-3, E11-5, E11-7	P11-1A, P11-3A, P11-5A,
		P11-8A, P11-1B, P11-3B,
		P11-5B, P11-8B
12	E12-1, E12-2, E12-3, E12-6,	P12-2A, P12-3A, P12-4A,
	E12-7	P12-5A, P12-8A, P12-2B,
		P12-3B, P12-4B, P12-5B,
		P12-8B
13	E13-6, E13-10	P13-3A, P13-4A, P13-6A,
		P13-8A, P13-3B, P13-4B,
		P13-6B, P13-8B
14, 14A	E14-1, E14-3, E14-4, E14-5	P14-3A, P14-6A, P14-8A,
& 14B		P14-3B, P14-6B, P14-8B