



## **BUS 200 *Introduction to Financial Accounting* (3 credit hours) Fall 2008**

### **Class Schedule:**

Wednesdays & Fridays 8:15 – 9:30 AM

Class Location: A2133

### **Instructor Information:**

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### **Course description and objectives:**

BUS 200 “focuses on the accounting concepts and procedures involved in recording and reporting the organization and operation of business corporations. In addition to accounting principles, students also learn how to read and interpret financial statements.” The course will first focus on the conceptual framework, then on the technical application of Canadian accounting standards used in the preparation of general purpose financial statements of profit oriented corporations, and finally on 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, Third Canadian Edition, Kimmel, Weygandt, Kieso, Trenholm, 2006.

Text website - [www.wiley.com/canada/kimmel](http://www.wiley.com/canada/kimmel)

### **Attendance:**

Students are expected not only to attend class but also to participate in class discussions and in the review of in-class problem material. A portion of the grade for the course is allocated to class participation.

## Course Requirements:

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

The class tests and final exam will be designed to test the conceptual understanding and procedural application of the material covered during the course, and will be patterned after the in-class and assigned exercises and problems. The following is a summary of all evaluation methods and relative weights for the course:

<b>Evaluation Method</b>	<b>Weight</b>	<b>Date</b>	<b>Material/Due Date</b>
Class Test # 1	20%	Oct. 15	Chapters 1 – 5
Class Test # 2	20%	Nov. 14	Chapters 6 – 10
Project – Chp. 14	10%	Assigned Nov. 19	Due Dec. 5
Particip./Assignments	15%	Assigned Weekly	TBA
Final exam	35%	TBA	Chapters 1 – 14

## Examinations:

Final examinations are held during a scheduled time at the end of the semester for regular semester classes and are scheduled by the Registrar. Graded final examinations will be available for supervised review at the request of the student.

## Grading Scale:

The available letters for course grades are as follows:

<u>% Grade</u>	<u>Letter Grade</u>	<u>Description</u>
95% to 100%	A+	Excellent
90% to 94%	A	
85% to 89%	A-	
80% to 84%	B+	Good
76% to 79%	B	
72% to 75%	B-	
68% to 71%	C+	Satisfactory
64% to 67%	C	
60% to 63%	C-	
55% to 59%	D+	Minimal Pass
50% to 54%	D	
0% to 49%	F	Failure

### **Electronic Device/Laptop Use Policy:**

Because of the distractions caused by web surfing, email, and instant messaging during class time, the use of laptops in class is generally not permitted. Use of cell phones, iPods, MP3 players, Game Boys, PSPs, etc. is not permitted. If, however, a student wishes to use their laptop for the purpose of taking notes, its use will be permitted provided that a copy of the notes taken during that class are emailed to the professor after the class. Any student using their laptop for purposes of web surfing, email or instant messaging during class or otherwise causing other students to be distracted by the use of their laptop will be subjected to the following “three strike” policy:

1. Professor will speak to the student after class about the distraction caused by laptop use and the student will lose 25% of the term participation mark.
2. Professor will ask the student to put away your laptop for remainder of class and the student will lose an additional 25% of the term participation mark.
3. Professor will ask the student to put away their laptop for the remainder of term and the student will lose an additional 25% of the term participation mark.

### **Other Information:**

Students, who are unable to write a class test, will have its weighting added to that of the final exam, provided they have a valid reason supported with proper documentation; otherwise, they will receive a mark of zero.

It is the responsibility of all students to become familiar with and adhere to the academic policies as stated in the current Student Handbook and Academic Calendar. In particular, students are to note academic regulation #34 - Academic Dishonesty.

Personal information, that is information about an individual that may be used to identify that individual, may be collected as a requirement as part of taking this class. Any information collected will only be used and disclosed for the purpose for which the collection was intended. For further information contact the Privacy Compliance Officer at [privacy@ambrose.edu](mailto:privacy@ambrose.edu).

The last day to enter a course without permission and /or voluntary withdrawal from a course without financial penalty is 26 September 2008. The last day to voluntarily withdraw from a course or change to audit without academic penalty is 21 November 2008

## **Summary of Material to be Covered:**

### 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

- introduction to conceptual framework
- 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 Analyzing 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 Analyzing 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 Analyzing 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 17 September 19	Chapter 1 Chapter 2
Week # 2	September 24 September 26	Chapter 3 Chapter 3/4
Week # 3	October 1 October 3	Chapter 4 Chapter 5 (incl. Appendix)
Week # 4	October 8 October 10	Chapter 5 (incl. Appendix) Review
Week # 5	October 15 October 17	Class Test #1 Chapter 6 (incl. Appendix 6A)
Week # 6	October 22 October 24	Chapter 6 Chapter 7
Week # 7	October 29 October 31	Chapter 8 Chapter 9 (incl. Appendix 9A)
Week # 8	November 5 November 7	Chapter 10 and appendix 10A Chapter 14 and appendices 14 A
Week # 9	November 12 November 14	Review Class Test # 2
Week # 10	November 19 November 21	Chapter 14 and appendices 14 A Chapter 11
Week # 11	November 26 November 28	Chapter 12 Chapter 12
Week # 12	December 3 December 5	Chapter 13 Chapter 13
Week # 13	December 10 December 12	Review Review

**Exercises and Problems:**

<b>Chapter</b>	<b>In-Class Exercises</b>	<b>In-Class Problems</b>	<b>Assignment</b>
1	E1-3, E1-4	P1-6A, P1-8A	P1-6B
2	E2-2, E2-3	P2-5A, BYP2-9	P2-5B
3	E3-2, E3-8, E3-9	P3-7A, P3-8A, BYP3-7	P3-7B
4	E4-1, E4-2, E4-5,	P4-1A, P4-5A, P4-7A	P4-7B
5 & 5A	E5-4, E5-7, E5-11	P5-3A, P5-7A	P5-3B
6 & 6A	E6-1, E6-2, E6-4	P6-1A, P6-6A, P6-11A	P6-2B, P6-6B
7	E7-3	P7-5A, P7-6A, P7-10A	P7-7B
8	E8-5, E8-12	P8-2A, P8-4A, P8-6A	P8-5B
9 & 9A	E9-1, E9-2, E9-6, E9-11	P9-1A, P9-3A, P9-6A	P9-3B, P9-6B
10, 10A	E10-1, E10-2, E10-6, E10-7, E10-14	P10-2A, P10-6A, P10- 12A	P10-13B
11	E11-2, E11-5, E11-7	P11-1A, P11-6A, P11- 7A	P11-6B
12	E12-1, E12-6, E12-7, E12-8	P12-3A, P12-5A, P12- 6A	P12-6B
13	E13-12	P13-4A, P13-6A, P13- 7A	P13-7B
14, 14A	E14-1, E14-5	P14-8A, P14-10A P14- 12A	None – project instead