Course Description and Organization

The course objective is to provide prospective managers with an awareness and understanding of accounting fundamentals. Uses and limitations of financial accounting data in Decision-making will be stressed. The objectives of class sessions are to develop the fundamentals of each topic; explore the implications of each topic through examples (problem-solving); and incorporate the topic into the framework of the accounting process and financial statements. The course is constructed around the text and a series of cases and other problems illustrating key concepts. However, the text is a tool that is used with the lectures, problems and assignments, which together define the material to be covered and understood. Class sessions will be conducted under the assumption that students (and the instructor) complete the readings and attempt (but not necessarily complete) the problems prior to the sessions for which they are assigned.

Text:
The basic text is Horngren, Sundem and Elliot, Financial Accounting, custom edition, Prentice-Hall hereafter referred to as . All assigned readings and homework problems are from the text. I will also hand out class discussion problems and actual financial Statements.

Course Structure: The course is organized into two sections: 1) overview of the accrual accounting systems and 2) accounting measurement topics. The readings and assignments for each class are attached. You are required to prepare readings and assignments prior to class. I will also call on specific people in class to answer questions regarding assignments. Answers to assignments will be handed out in class, usually after the class discussion. I emphasize that it is critical that you keep up with readings and assignments. Accounting is not conducive to cramming for exams, in part because it is such a language intensive subject.

Grading: Homework assignments (determining 15% of your grade), midterm exam (determining 30% of your grade) and a final exam (determining 55% of your grade). You should keep in mind that the first midterm will be administered relatively early, right after the completion of the overview of accounting measurement. The timing of this exam is intended to diagnose problems in your understanding of the basics of account measurement. I emphasize that if you do poorly on this exam, then it is critical that you promptly review all the material up to this point in the course, otherwise the large amount topical material that follows will be piled on top of a poor foundation.
PRELIMINARY TOPICAL OUTLINE

I. PRELIMINARIES

Session 1A
A. Accounting Information and Decision Making
   i. Process of Decision-Making
   ii. Accounting as an information specialty
      : Ch. 1

II. RECORDING ACCOUNTING TRANSACTIONS

Session 1B, Session 2A
Content and Organization of Financial Statements
   i. Balance sheet
   ii. Income statement
   iii. Statement of cash flows
      Reading: : Ch. 2
      Class Discussions Problems: Norman Grocery Store
      Goal Systems

Assignment 1 Due May 24th: 2-45, 3-21, 3-36, 3-40

Session 2B, 3A
Recording Business Transactions
      Reading: : Chs. 3
      Class Discussions Problem: Pasta House Inc.
      Class Case: Kana Collection Agency.
      Highland Real Estate

Session 3B, 4A
Accrual Accounting
   Adjusting and Closing Entries
   Preparation of Financial Statements
      Reading: : Chs. 4
      Class Discussions Problems: General Mills
      Village Appliance Shop

Assignment 2 Due May 31th 4-40, 4-43, 5-45, 5-62

Session 4B, 5A
Preparation of Cash Flow Statements
      Reading: : Ch. 5
      Class Discussion Problems: Colossard Industries, Beckwith Products
      Bernard Corp

Midterm Exam Session 5B
III. ACCOUNTING FOR CURRENT ASSETS
Session 6A, 6B
Accounting for Sales and Account Receivables
  Reading: : Chs. 6
  Class Discussions Problems: To be Assigned
Assignment 3 Due June 12th 6-59, 6-65, 7-37, 7-58

Session 7A, 7B
Accounting for Inventory and Cost of Goods Sold
  a. LIFO
  b. FIFO
  Reading: : Ch. 7
  Class Discussion Problems: Lee Enterprises.
Assignment: Submit Problem Set 2

IV. ACCOUNTING FOR PLANT AND EQUIPMENT
Session 8A, 8B
  Accounting for Long-Lived Assets and Depreciation
    i. Acquisition of Plant and Equipment
    ii. Depreciation
    iii. Retirement of assets
  Reading: Ch. 8
  Class Discussion Problems: 8-32, 8-44, 8-59
Assignment 4 Due June 19th 8-45, 8-63, 9-62, 9-59

V. ACCOUNTING FOR LIABILITIES
Session 9A, 9B, 10A
Accounting for Liabilities and Present Value
Accounting for Bonds
Effective Interest Method - Time Value of Money
  Reading: : Ch. 9

VII. ACCOUNTING FOR CORPORATE OWNERSHIP
Session 10B
Accounting for Corporate Ownership
  i. Issuance of stock
  ii. Treasury stock
  iii. Dividends - common stock (Cash dividends & Stock dividends)
  iv. Stock splits
  Reading: : Ch. 11

Review and Exam Session 11A, 11B
Notes:
Session Dates:
Session 1: May 15th
Session 2: May 17th
Session 3: May 22nd
Session 4: May 24th
Session 5: May 31st
Session 6: June 5th
Session 7: June 7th
Session 8: June 12th
Session 9: June 14th
Session 10: June 19th
Session 11: June 21st