
Central Michigan University
College of Business Administration

MASTER COURSE SYLLABUS

ACC 201 **Concepts of Financial Accounting** **3 (3-0) F,Sp,Su**

I. Bulletin Description

Students gain an understanding of the accounting system used to develop financial statements. The emphasis is on interpreting financial data used in business decision making.

II. Prerequisites

Completion of MTH 105

III. Rationale for Course Level

This course provides financial accounting concepts to all College of Business Administration students as well as other students in selected majors. It is structured as an introductory course for students with little or no prior accounting knowledge and should be available to lower-division students.

IV. Textbooks and Other Materials To Be Furnished by the Student

Ingram, Robert W., and Baldwin, Bruce A., *Financial Accounting: A Bridge to Decision Making*, SouthWestern Publishing Company, 5th Edition, 2004.

Kimmel, Paul D., Kieso, Donald E., and Weygandt, Jerry J., *Financial Accounting: Tools for Business Decision Making*, Wiley Publishing Company, 3rd Edition, 2004.

V. Special Requirements of the Course

NONE

VI. General Methodology Used in Conducting the Course

The course is taught using a mixture of teaching methodologies. Lecture, class discussion, individual and group problem solving, case studies and cooperative learning techniques are all acceptable methods of instruction. Faculty are encouraged to emphasize approaches that promote active student learning.

A financial statement analysis case may be used to apply concepts presented in the class to a real world situation. Projects may be used to identify and explore sources of financial information. Short cases and projects may be used as in-class exercises to apply accounting concepts to practical situations.

VII. Course Objectives

The fundamental goal of the School of Accounting is to prepare students for professional accounting and business careers. This course will promote the following behavior objectives to achieve this goal:

1. This course will encourage students to become active participants in the learning process.
2. Students will learn problem solving techniques including obtaining, organizing, analyzing, synthesizing, and evaluate information.
3. Students will be given opportunities to communicate the results of their analysis and problem solutions.
4. Students will be able to solve financial reporting problems given in an unstructural situation.

Upon completion of this course students will be able to:

1. Explain why accounting information is useful to an organization's stakeholders.
2. Demonstrate the use of an accounting system to record financing, investing, and operating activities.
3. Distinguish the accrual basis of accounting from the cash basis.
4. Process transactions in a company's accounting cycle from source documents to closing the books.
5. Summarize the basic reporting rules and the information presented on a company's income statement, balance sheet, and statement of cash flows.
6. Explain the meaning and importance of accruals and deferrals for proper measurement of business activities.
7. Explain transactions affecting liabilities and stockholders' equity and describe how these are reported on the financial statements.
8. Explain the accounting issues associated with various categories of assets and describe how these are reported on the financial statements.
9. Summarize the effects of operating, investing and financing activities on the financial statements.
10. Apply basic procedures for financial statement analysis.

VIII. Course Outline

Week	Concepts Covered
1	Accounting and Organizations
2	Information in Organizations
3	Accounting Measurement
4	Processing Accounting Information
5	Processing Accounting Information
6	Exam; Reporting Accounting Information
7	Reporting Accruals and Cash Flows
8	The Time Value of Money
9	Financing Activities
10	Financing Activities
11	Analysis of Financing Activities

Week	Concepts Covered
12	Exam; Investing Activities
13	Analysis of Investing Activities
14	Operating Activities
15	Analysis of Operating Activities
16	Final Exam

IX. Evaluation:

Three Exams	60%
Instructor Quizzes, Cases, Projects, Homework	40%
Total	100%

X. Bibliography:

Ansari, Shahid, and Euske, K. J., "Breaking Down the Barriers Between Financial and Managerial Accounting: A Comment on the Jenkins Committee Report, " Accounting Horizons, June 1995, pp. 40-43.

Balsm, Steven, and Lipka, Roland, "Share Prices and Alternative Measures of Earnings Per Share," Accounting Horizons, September 1998, pp. 234-249.

Basi, Bart, "Do You Know Where Your Money Is? (Developing a Cash Management Perspective)," Industrial Distribution, June 1996, pp. 51-52.

Beresford, Dennis R., "The Need for Accounting Standards," The CPA Journal, January 1998, pp.36-41.

Bishop, William G., "Changing the Rules for Business Controls and Internal Auditing," Business Credit, November/December 1997, pp. 59-60.

Davis, Richard O., and Gaffney, Dennis J., "Some Inventory Shrinkage Estimates are Acceptable," Taxation for Accountants, September 1997, pp154-65.

Dennis, Anita, "Rethinking Internal Audits," Journal of Accountancy, November 1998, pp. 93- 96.

Imhoff, Eugene A., Jr., Lipe, Robert C., and Wright, David W., "Operating Leases: Income Effects of Constructive Capitalization," Accounting Horizons, June 1997, pp. 12-32.

Jonas, Gregory J., and Young, Stephen J., "Bridging the Gap: Who Can Bring a User Focus to Business Reporting?," Accounting Horizons, June 1998, pp. 154-159.

Kilpatrick, Ivan, "If It Isn't Read, It Isn't Right. (Statement of Changes in Financial Position)," C A Magazine, March 1998, pp. 33-40.

Lamb, David J., "Issues in Long- Term Debt Classifications," The CPA Journal,

April 1995, pp. 44.

Libby, Robert, Libby, Patricia, and Short, Daniel, Financial Accounting, McGraw Hill Irwin, 4th edition, 2004.

Reimers, Jane L., Financial Accounting: A Business Process Approach, Prentice Hall, 2003.

"Long-Term Investments: Stocks," National Public Accountant, February 1994, pp. 7.

Munter, Paul, "Cash Flow Hedges: The New Comprehensive Income Item," Journal of Corporate Accounting, Summer 1998, pp. 27-32.

Munter, Paul, "Reporting Comprehensive Income," Journal of Corporate Accounting & Finance, Autumn 1996, pp. 31-42

Newman, William A., "How An Accounting Rule Spoiled A Popular Deal Format," Mergers & Acquisitions, November/December 1997, pp. 11-14.

Pacter, Paul, and Rohan, Paul, "When Your Assets Aren't (FASB Standard on Impairment)," Financial Executive, January/February 1995, pp. 32-35.

Porter, Gary A., and Norton, Curtis L., Financial Accounting: The Impact on Decision Makers, South-Western, 4th edition, 2004.

Pratt, Jamie, Financial Accounting in an Economic Context, Wiley, 5th edition, 2003.

Rogero, Hail, "Characteristics of High Quality Accounting Standards," Accounting Horizons, June 1998, pp. 177-183.

Sarasohn, Louis J., and Luehlfiging, Michael S., "Fixed Assets Don't Squeak (Case Study)," Management Accounting, November 1996, pp. 29-30.

Smith, Pamela A., and Tse, Senyo, "Reporting Comprehensive Income: Does It Really Affect Stock Prices?," Journal of Corporate Accounting & Finance, Summer 1998, pp. 75-86.

Sweeney, Richard J., Warga, Arthur D., and Winters, Drew, "The Market Value of Debt, Market Versus Book Value of Debt, and Returns to Assets," Financial Management, Spring 1997, pp. 5-21.

Wild, John J., Financial Accounting: Information for Decisions, McGraw Hill Irwin, 2003.

Wilson, Arlette C, and Waters, Gary, "Reporting Comprehensive Income," National

Public Accountant, January/February 1998, pp. 43-46.

Wright, Ian, and Fickers, Regina, "What's All the Fuss About? (Setting Standards for Financial Instruments)," Accountancy, March 1998, pp. 96-97.

JOURNALS:

In addition to the articles listed above, the following journals should be considered good resources for teaching of ACC 201.

Accounting Horizons
CPA Journal
Issues in Accounting Education
Journal of Accountancy
Management Accounting
Michigan CPA
The New Accountant
The Wall Street Journal

Syllabus Prepared By: David Karmon

Signature

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Date