



Standard Course Outline
ACCT 500 Financial Accounting

Financial Accounting (MBA)

I. General Information

Course Number	ACCT 500
Title	<u>Financial Accounting</u>
Units	3.0
Prerequisites	MBA Standing
Course Coordinator	
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Date prepared/revised	October 21, 2013

II. Catalog Description

This course objective is to develop skills required to interpret and analyze the information contained in the financial statements, with emphasis on the use of accounting information as an aid to business decisions. Letter grade only (A-F).

III. Curriculum Justifications

Accounting is the primary means for communicating the economics of any business. Managers must understand the concepts and language of accounting in order to use this critical tool effectively for communication, monitoring, and resource allocation. This course is intended to develop a sufficient understanding of basic concepts underlying financial and managerial accounting. It explains how accounting information is accumulated, and how such information is presented in the form of financial statements. It provides MBA students with an understanding of accounting terminology and methods so that financial statements published in corporate annual reports can be interpreted, analyzed, and evaluated.

The course is oriented primarily towards managers and other users of financial statements. It provides an understanding of the ways in which financial reports influence decisions by managers, investors, creditors, and government. MBA students are made aware of the choices concerning accounting methods and disclosures and how this may affect the value of the firm.

This course addresses the following CBA graduate learning goals.

1. Critical Thinking: Students will be able to demonstrate learning, critical thinking, and problem-solving skills. More specifically, students will be able to understand:
 - a. How business organizations create value
 - b. How the performance of the organization and its activities is planned, measured, evaluated and controlled
 - c. How business organizations report real and estimated information both internally and externally subject to generally accepted accounting principles and regulatory requirements.
2. Quantitative and Technological Skills: Students will possess quantitative and technological skills enabling them to analyze, interpret, and communicate business data effectively and to improve business performance.
 - a. Students will acquire quantitative and technological skills enabling them to analyze, interpret, and communicate business data effectively to support improved business performance.
 - b. Students will acquire skills that allow them to analyze the link business investments, business activities, and firm value.
3. Management-Specific Learning Goals: Students will be able to use their acquired knowledge of accounting to address complex business problems.

IV. Course Objectives

Specific goals of this course include the following:

1. Familiarize the student with the various types of financial statements; show how operating, investing, and financing activities are represented; describe the measurement framework, objectives, and assumptions of financial accounting.
2. Review principles for recognizing accounting values on the various financial statements; describe and use the accounting equation; provide an overview of the accounting process and related mechanics of recording financial transactions.
3. Provide an understanding of how management choices and incentives may affect financial reporting.
4. Examine and understand the roles of corporate governance, incentives, and regulatory framework on internal and external financial (and nonfinancial) reporting.

V. Subject matter topics

Module	Concept	Active Learning Tools
1	Basic introduction to accounting processes, financial statements, and financial performance evaluation.	Exercises; case studies
	a. Identify what constitutes a business transaction and recognize common balance sheet account titles used in business.	
	b. Apply transaction analysis to simple business transactions in terms of the accounting model: Assets = Liabilities + Stockholders' Equity.	
	c. Determine the impact of business transactions on the balance sheet.	
	d. Recognize two methods of preparing cash flow statements and be able to assess an enterprise's cash flows.	
	e. Be able to analyze and compare financial performance among firms and over time	
2	Accounting for operating resources and decisions	Exercises; case studies.
	a. Understand various requirements for recognizing revenue and recording accounts receivable.	
	b. Examine and be able to apply various methods of inventory valuation.	
	c. Value accounts payable and the use of accounts payable to manage cash flows.	
3	Accounting for long-lived assets	Exercises; Project
	a. Understand how acquisition cost of a long-lived asset is determined.	
	b. Apply different methods of depreciation.	
	c. Define asset impairment and identify when it applies.	
4	Accounting for long-term liabilities	Exercises; Project
	a. Recording and subsequent re-valuation of long-term liabilities	
	b. Off-balance sheet liabilities: constructive restatement on balance sheet	
	c. Contingent liabilities	
5	Accounting for stockholders' equity	Exercises
	a. Contributed and earned capital	
	b. Class of shares and capital distributions.	
	c. Stock options and earnings per share.	

VI. Methods of Instruction

This course is taught through lecture and class discussion of concepts and applications, case analysis and discussions, as well as computer-based simulations. Active interaction between the instructor and students is encouraged. The instructor will make appropriate use of corporate financial reports, group work, and a comprehensive project to enhance the learning process.

Instructors in planning the exams, and other grading procedures, should adhere to the relevant University Policy on "[Grades, Grading Procedures, and Final Assessments, Final Course.](#)"

The textbooks for this course should be chosen in accordance with the University Policy on textbooks. There are a number of appropriate textbooks for this course, although the following textbook is specifically aimed at MBA students and is recommended:

Dyckman, Magee and Pfeiffer *Financial Accounting*, Fourth Edition, 2014, Cambridge Business Publishers.

VII. Instructional Policy Requirements

The students are expected to comply with the universally accepted norms of considerate and courteous behavior, and with all University rules and policies found in the current University Catalog, including the Withdrawal Policy and Policy on Cheating and Plagiarism.

Students shall attend classes regularly and be responsible for all materials covered in class, regardless of their attendance. Make-up exams are strongly discouraged and will only be given with documented proof of an excused absence. The student should give earliest possible notification of an anticipated excused absence. The students refer to the specific university policy on these issues.

Instructors may adjust course assignments when necessary. The students should be notified about any changes and, whenever possible, consulted in advance about any changes.

Students with Disabilities: Students with disabilities are responsible for notifying their instructor as early as possible of their needs for an accommodation of a verified disability. A student with a disability is urged to consult with Disabled Student Services as soon as possible in order to identify possible accommodations to enhance academic success.