**SBNM 5110 - Financial Accounting**
**North Park University**
**Spring 2013**

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Texts: Libby, Libby & Short, Financial Accounting, Seventh Edition, ISBN 978-0-07-811102-0

**Course Overview:**

Financial accounting develops the ability to read and analyze a corporate financial statement. The course is oriented toward the user of financial accounting data and emphasizes the reconstruction of economic events from published accounting reports. This course presents the accounting model, reviews accounting standards used for financial reporting, and considers their impact on managerial decisions. The role of accounting in planning, decision-making, control and performance evaluation is the managerial focus of this course. An examination of the ethical issues regarding the available alternatives encountered when making accounting decisions is undertaken throughout the course.

**Course Objectives:**

After completing the course, students should be able to:

1. Explain the role of auditors, accountants, and accounting regulatory groups to the profession, business and society.
2. Identify the major elements and components of annual reports.
3. Identify the purpose and major component section sof the four primary financial statements.
4. Define and/or explain common accounting terms such as: revenues, profits, gains, losses, expenses, owners' equity, assets, liabilities, accounting cycle, operating cycle, and internal control.
5. Prepare income statements, balance sheets and statements of retained earnings.
6. Read and perform analysis of income statements, balance sheets and statements of retained earnings.
7. Identify and explain the effects of accruals and deferrals on financial statements.

**Course Policies:**

Attendance and preparation of homework assignments are critical to understanding accounting concepts. As such, students will be expected to be in attendance and complete homework assignments prior to the class period in which they are due. While course assignments are included in this syllabus, they are subject to change based on actual class discussions. If students are absent from class, it is their responsibility to contact a colleague or me to find out what transpired in class during their absence.

**No late assignments will be accepted unless arranged with me <u>in advance of the due date</u>. This includes all exams. For every 24 hour period that an exam is late without advanced approval, five points will be deducted from the exam score.**

I understand that we all lead busy lives. If you are unable to attend a session, please inform me prior to that session. Students are allowed to miss one class with no penalty. Students who miss two classes may be penalized one full grade from the grade they would have earned in the class. Students who miss more than two sessions will be given an 'Incomplete' and asked to repeat the course.

It is my experience that in order to gain an understanding of accounting concepts, one must practice applying those concepts. It is for that purpose that I have assigned homework problems for each class session. I view this homework as a learning tool and, as such, will not be grading them for accuracy. In fact, I will place the solutions for the homework on Blackboard so that you can check your work as you are doing the problems, i.e. get immediate feedback. It is imperative for success in your class that you stay current on the homework. If I determine that students are not taking responsibility for the homework, I will begin collecting and grading the homework.

**Course Outline**:

Please read Chapters 1 & 2 before the first class meeting.

| Class | Topics | Chapters | Assignment |
|---|---|---|---|
| 1 | Financial Statements and Business Decisions; Investing and Financing Decisions and the Balance Sheet | 1 & 2 | |
| 2 | Operation Decisions and the Income Statement; Adjustments, Financial Statements and the Quality of Earnings | 3 & 4 | Ch 1: E1-4; E1-8; P1-1: P1-3<br>Ch 2: E2-8 (JE's); E2-11;P2-5 |
| 3 | Communicating & Interpreting Accounting Information; Reporting and Interpreting Sales Revenue, Receivables &Cash; Financial Statement Analysis<br>Exam 1 Distributed - **due Class 5** | 5, 6 & 14 | Ch 3: E3-3; E3-4; E3-8; P3-4 (plus JE's; requirements 1-3)<br>Ch 4: E4-6: COMP4-1(req. 1-4, excluding Statement of Cash Flows) |
| 4 | Reporting & Interpreting Cost of Goods Sold and Inventory; Property, Plant & Equipment | 7 & 8 | Ch 5: P5-6<br>Ch 6: E6-7;E6-14 E6-18; P6-1<br>Ch 14: E14-3; P14-5 |
| 5 | Reporting and Interpreting Liabilities, including Bonds<br>**Exam 1 Due** | 9 (p. 459-475) & 10 | Ch 7: E7-1;E7-18; P7-2 (Req. 1 – 3)<br>Ch 8: E8-8;AP8-1; P8-2 |
| 6 | Reporting and Interpreting Owners' Equity and Investments in Other Corporations<br>Exam 2 Distributed – **due date to be determined** | 11 & 12(p. 603- 614) | Ch 9: E9-1; P9-6; P9-7<br>Ch 10: E10-8; P10-1; E10-16 |
| 7 | Statement of Cash Flows and Internal Control | 13 & Handout | Ch 11: E11-2; E11-11; P11-2<br>Ch 12: P12-2; Ch 13: E13-3 |

**The course grade will be based on the following:**

| | |
|---|---|
| 2 Exams (100 points each) | 200 |
| 10K Questions | 25 |
| Financial Statement Analysis Paper | 75 |
| Class Participation | 25 |
| Total | 325 |

**Students with Disabilities:**

Students with disabilities who believe that they may need accommodations in this class are encouraged to contact the Center for Academic Services at 773-244-8500, **advising@northpark.edu** or stop by the office located on the 2nd floor of the Student Services Building. Please do so as soon as possible to better ensure that such accommodations are implemented in a timely manner. For further information please review the following website: **http://www.northpark.edu/ada**

**Academic Honesty:**

In keeping with our Christian heritage and commitment, North Park University and the School of Business and Nonprofit Management are committed to the highest possible ethical and moral standards. Just as we will constantly strive to live up to these high standards, we expect our students to do the same. To that end, cheating of any sort will not be tolerated. Students who are discovered cheating are subject to discipline up to and including failure of a course and expulsion.

Our definition of cheating includes but is not limited to:

1. Plagiarism – the use of another's work as one's own without giving credit to the individual. This includes using materials from the internet.
2. Copying another's answers on an examination.
3. Deliberately allowing another to copy one's answers or work.
4. Signing an attendance roster for another who is not present.

In the special instance of group work, the instructor will make clear his/her expectations with respect to individual vs. collaborative work. A violation of these expectations may be considered cheating as well.

For further information on this subject you may refer to the Academic Dishonesty section of the University's online catalog.

In conclusion, it is our mission to prepare each student for a life of significance and service. Honesty and ethical behavior are the foundation upon which such lives are built. We therefore expect the highest standards of each student in this regard.