

SBNM 5110 - Financial Accounting
North Park University
Fall 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 of 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 in advance of the due date. 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.

Homework

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 "practice" 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 Moodle so that you can check your work as you are doing the problems, i.e. get immediate feedback. In addition to these homework problems, I will assign one problem each week that is due to be turned in via Moodle. It is imperative for success in your class that you stay current on the homework.

10K Questions

As part of the course requirements, you will be writing a paper wherein you will analyze the financial position of a publicly traded company of your choice, using the 10K. The 10K is the annual report filed by all publicly traded companies with the SEC. In an effort to introduce you to the 10K, you will be given three questions each week to answer and submit through Moodle. In order to answer the questions, you will have to search in the 10K of your selected company. This will help you become more familiar with the type of information that is found and better prepare you for writing the paper that is due at the end of the quad.

Financial Analysis Paper

This paper will be described in a supplemental document.

The course grade will be based on the following:

2 Exams (100 points each)	200
10K Questions	15
Financial Statement Analysis Paper	75
Homework	30
Class Participation	<u>25</u>
Total	<u>345</u>

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	Practice Problems: Ch 1: E1-4; E1-8; P1-1: P1-3 Ch 2: E2-8 (JE's); E2-11; P2-5 Problem for Submission: AP1-1
3	Communicating & Interpreting Accounting Information; Reporting and Interpreting Sales Revenue, Receivables & Cash; Financial Statement Analysis Exam 1 Distributed - due Class 5	5, 6 & 14	Practice Problems: Ch 3: E3-3; E3-4; E3-8; P3-4 (plus JE's; requirements 1-3) Ch 4: E4-6: COMP4-1 (req. 1-4, excluding Statement of Cash Flows) Problem for Submission: P3-6 (plus JE's; req. 1-3, excluding Statement of Cash Flows
4	Reporting & Interpreting Cost of Goods Sold and Inventory; Property, Plant & Equipment	7 & 8	Practice Problems: Ch 5: P5-6 Ch 6: E6-7; E6-14 E6-18; P6-1 Ch 14: E14-3; P14-5 Problem for Submission: Handout
5	Reporting and Interpreting Liabilities, including Bonds Exam 1 Due	9 (p. 459-475) & 10	Practice Problems: Ch 7: E7-1; E7-18; P7-2 (Req. 1 – 3) Ch 8: E8-8; AP8-1; P8-2 Problem for Submission: P8-3
6	Reporting and Interpreting Owners' Equity and Investments in Other Corporations Exam 2 Distributed – Due date to be determined	11 & 12 (p. 603- 614)	Practice Problems: Ch 9: E9-1; P9-6; P9-7 Ch 10: E10-8; P10-1; E10-16 Problem for Submission: E10-17
7	Statement of Cash Flows and Internal Control	13 & Handout	Practice Problems: Ch 11: E11-2; E11-11; P11-2 Ch 12: P12-2; Ch 13: E13-3 Problem for Submission: P11-3 (plus Stockholders' Equity section of the Balance Sheet)

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.