COURSE DESCRIPTION
This course covers accounting for partnerships, corporations, long term liabilities and investments in stocks and bonds. Students prepare cash flow statements, analyse and interpret financial statements for management decision making and are introduced to managerial accounting.

SPECIFIC OBJECTIVES
Upon successful completion of this course, students will be able to
1) Record and report transactions for partnerships, corporations, and manufacturing operations;
2) Apply generally accepted accounting principles (GAAP) to business enterprises;
3) Account for bonds payable and investments in stocks and bonds;
4) Prepare, analyse, and interpret corporate financial statements including balance sheet, income statement, statement of retained earnings, and cash flow statement;
5) Prepare budgetary reports for use by management; and
6) Organize accounting information to support operating and planning decisions.

COURSE CONTENT
I Partnerships
A. Characteristics
B. Formation
C. Distribution of net income and loss
D. Admission of new partner(s)
E. Withdrawal or death of partner(s)
F. Liquidation

II Corporations
A. Nature
B. Stockholders’ equity
C. Sources of paid-in capital
D. Issuing stocks
E. Treasury stocks
F. Stock splits
G. Accounting for dividends
H. Reporting unusual items that affect the income statement
   i. discontinued operations
   ii. extraordinary items
I. Earnings per share
J. Reporting stockholders’ equity on the balance sheet
K. Comprehensive income

III Long-term Liabilities
A. Financing corporations
B. Characteristics
C. Present-value concept
D. Future-value concepts
E. Accounting for bonds
   i. issuance
   ii. amortisation of discount and premium
   iii. interest accrual
   iv. conversion
   v. redemption

H. Balance sheet presentation

IV Inter-company Investments
A. Accounting for investments in stocks
   i. short-term
   ii. non-influential and non-controlling interest
   iii. Influential but non-controlling interest
B. Accounting for investments in bonds

V Statement of Cash Flows
A. Purpose
B. Reporting
   i. operating activities
   ii. investing activities
   iii. financing activities
   iv. non-cash investing and financing activities
C. Preparation

VI Financial Statement Analysis
A. Basic analytical procedures
   i. objectives, standards and sources of information
   ii. horizontal, vertical and trend analysis
   iii. ratios
B. Solvency
C. Profitability
D. Analysing corporate annual reports

V Cost Concepts and Cost Allocation
A. Managerial accounting concepts and principles
B. Manufacturing cost terms
C. Cost accounting systems
   i. direct and indirect costs
   ii. prime and conversion costs
   iii. computing product unit cost
D. Reporting of costs
   i. accounting for inventories
   ii. statement of cost of goods manufactured
   iii. cost of goods sold and the income statement

VI Planning and Control
A. Cost behavior
   i. variable versus fixed cost
   ii. semi-variable and mixed costs
B. Cost-volume-profit analysis
   i. breakeven
   ii. target profits
C. Budgets
   i. goals and advantages
   ii. operating
   iii. financial
D. Capital investment decision methods
   i. net present value
   ii. cash flow and payback period
   iii. accounting rate of return

ASSESSMENT
Assignments..........................................................10%
In-Class Tests........................................................50%
Final examination....................................................40%
Total....................................................................100%

REQUIRED TEXT

SUPPLEMENTARY READINGS

JOURNALS
Accounting Review
Journal of Accounting, Auditing and Finance
Journal of Accounting Research
Review of Accounting Studies

WEBSITES
www.principlesofaccounting.com
www.cengage.com/accounting/needles