## COURSE DESCRIPTION
Students engage in a comprehensive study of accounting theories and procedures. They employ accounting standards in conjunction with concepts and conventions in preparing financial statements.

## SPECIFIC OBJECTIVES
Upon successful completion of this course, students will be able to
1) Analyse the environment of financial accounting;
2) Apply accounting standards in the preparation of accounting information;
3) Prepare financial statements in accordance with accounting standards;
4) Employ valuation principles relative to income statement and balance sheet items; and

## COURSE CONTENT
I. Financial Accounting and Accounting Standards
   A. Characteristics
   B. Objectives
   C. Financial statements and financial reporting
   D. Accounting and the efficient use of resources
   E. Policy-setting bodies
   F. Generally accepted accounting principles (GAAP)
   G. Ethical issues

II. Conceptual Framework
   A. Usefulness
   B. Qualitative characteristics
   C. Elements of financial statements
   D. Assumptions and application of accounting principles
   E. Constraints on reporting accounting information

III. Accounting Information System
   A. Terminology
   B. Double entry rules
   C. Accounting cycle
      i. Recording transactions
      ii. Preparing journals
      iii. Posting to ledger accounts
      iv. Preparing a trial balance
v. Preparing and effecting adjusting entries
vi. Preparing and effecting closing entries
vii. Preparing and effecting reversing entries
viii. Preparing financial statements

IV. Income Statement and Related Information
A. Uses and limitations
B. Single-step and multiple-step
C. Reporting of irregular items
D. Intraperiod tax allocation
E. Reporting of earnings per share
F. Statement of retained earnings
G. Comprehensive income

V. Balance Sheet and Statement of Cash Flows
A. Uses, limitations and classifications
B. Report and account format
C. Classified
D. Disclosures

VI. Accounting and the Time Value of Money
A. Relevance
B. Simple versus compound interest
C. Compound interest tables
D. Variables fundamental to solving interest problems
E. Solving future and present value problems
   i. Single amounts
   ii. Annuities

VII. Cash and Receivables
A. Reporting
B. Types
C. Issues
   i. Recognition
   ii. Valuation
   iii. Disposition
D. Notes
E. Reporting
F. Analysis

VIII. Valuation of Inventories: A Cost Basis Approach
A. Classifications
B. Perpetual versus periodic
C. Effects of errors on the financial statements
D. Items that should be included as cost
E. Cost flow assumptions
IX. Inventories: Additional Valuation Problems  
   A. Lower of cost or market rule  
   B. Net realisable value  
   C. Relative sales value method  
   D. Purchase commitments  
   E. Gross profit and retail inventory methods  

X. Acquisition and Disposition of Property, Plant and Equipment  
   A. Characteristics  
   B. Valuation  
   C. Problems associated with self-constructed assets and interest capitalization  
   D. Issues related to acquisition and valuation  
   E. Treatment  
      i. Costs subsequent to acquisition  
      ii. Disposal  

XI. Depreciation, Impairments and Depletion  
   A. Concept  
   B. Activity, straight-line, and decreasing charge methods  
   C. Additional methods  
   D. Asset impairment  
   E. Natural resources  
   F. Reporting  

XII. Intangible Assets  
   A. Characteristics  
   B. Types  
   C. Valuing and amortising  
   D. Goodwill and research and development  

XIII. Current Liabilities and Contingencies  
   A. Valuation  
   B. Nature and types  
   C. Refinancing  
   D. Employee related  
   E. Gains and losses  

XIV. Long-Term Liabilities  
   A. Issuance  
   B. Types of bonds  
      i. Accounting  
      ii. Valuation  
      iii. Date of issuance  
   C. Bond discount and premium amortisation  
   D. Extinguishment of debt and long-term notes payable  
   E. Reporting off-balance sheet financing arrangement
ASSESSMENT
Assignments ............................................................. .10%
In-class tests ............................................................. .50%
Final examination ...................................................... .40%
TOTAL ................................................................. 100%

REQUIRED TEXT

SUPPLEMENTARY READINGS/MATERIALS

JOURNALS
Journal of Accountancy
Journal of Finance
Accounting Today

WEBSITES
wiley.com/college/kieso
cpajournal.com
http://raw.rutgers.edu/aaa
iasc.org.uk
aicpa.org
taxsites.com
fasb.org