


BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY
Course Outline
School of Business
FMGT 1110
Program: Business Administration Post-Diploma
Financial Management 1
Instructor

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Office Hours: to be announced

Hours/Week:	4	Total Hours:	60	Term/Level:	Post-Diploma
Lecture:	2	Total Weeks:	15	Credits:	4
Lab:	2				

Prerequisites

FMGT 1110 is a Prerequisite for:

Course No.	Course Name	Course No.	Course Name
		FMGT 2110	Financial Management 2

Course Description

Covers basic accounting procedures; adjustments; closing the books; working papers; merchandise operations; statement and ledger organization; special journals; forms of business organization; accounting principles; accounting for cash, receivables, inventories and capital assets; analysis of financial data and financial statements.

Course Goals

In this course students will learn the conventional accounting system, understand accounting terminology and appreciate the uses and limitations of financial statements.

Evaluation

Examinations (three)	80%
Assignments	<u>20%</u>
	<u>100%</u>

For any assignment not submitted when due, there will be a 1% penalty taken off of the final grade. This penalty may be waived at the discretion of the instructor.

Course Learning Outcomes

Upon successful completion of this course, the student will be able to:

1. Analyze business transactions using the accounting equation.
2. Record transactions in a journal and post entries to a ledger.
3. Prepare and explain the use of a trial balance.
4. Explain accrual accounting and how it adds to the usefulness of financial statements.
5. Prepare adjusting entries.
6. Prepare a classified balance sheet.
7. Prepare closing entries and a post-closing trial balance.
8. Prepare a work sheet and explain its usefulness.
9. Prepare entries to record the declaration and payment of a dividend.
10. Identify steps in the accounting cycle.
11. Analyze and record transactions for merchandise purchases and sales using a perpetual system.
12. Prepare adjustments and close accounts for a merchandising company.
13. Define and prepare classified, multiple-step and single-step income statements.
14. Record and compare merchandising transactions using both periodic and perpetual inventory systems.
15. Calculate the cost of an inventory using various methods and explain the financial statement effects of choosing one method over the others.
16. Analyze the effect of inventory errors on current and future financial statements.
17. Compute the lower of cost or market value of inventory.
18. Explain the use of special journals and subsidiary ledgers in an accounting system.
19. Explain why internal control procedures are needed in a large organization and state the broad principles of internal control.
20. Prepare journal entries to record petty cash fund transactions.
21. Prepare a bank reconciliation.
22. Estimate uncollectibles using methods based on sales and accounts receivable.
23. Prepare journal entries to account for temporary investments and explain how lower of cost or market is reported on such investments.
24. Calculate the cost and record the purchase of plant assets.
25. Calculate amortization by the straight-line, units-of-production and declining balance methods.
26. Account for the disposal or exchange of capital assets.
27. Explain the advantages, disadvantages and organization of corporations.
28. Record the issuance of corporate shares.
29. Explain the characteristics of common and preferred shares and distribute dividends between common and preferred shares.
30. Prepare analytical financial statements: horizontal, vertical, and common size.
31. Compute standard financial ratios used for decision making.

Text(s) and Equipment

Required:

Horngren, Harrison, Bamber, Lemon, Norwood, *Accounting (Volumes I and II)*, Canadian Fifth Edition, Prentice Hall

Pad of 3 or 4 column accounting paper

Calculator


Policies and Procedures

1. All outlines, schedules and marks allocations are subject to change at the discretion of the instructor.
 2. This Course Outline may assist you in the future to receive credit for all or part of a course from another post-secondary institution or from a professional program. It is strongly recommended that you keep this Course Outline for future reference.
 3. Acts of cheating plagiarism and dishonesty are not tolerated. The degree of punitive action may vary from a written warning to withdrawal from the program. These penalties may also be applied to students who knowingly contribute to an act of cheating, plagiarism or dishonesty. (See BCIT Calendar.)
 4. Attendance requirements will be enforced as per BCIT policy (see BCIT Calendar). Students who are absent for more than 10 percent of the course may not be permitted to write the final examination. Please keep the instructor informed if you are absent because of illness or for other valid reasons.
 5. I.D. Required in Examination Centres
Effective December 2000, in order to write exams, students will be required to produce photo-identification at examination centres. Photo I.D. must be placed on the desk before an exam will be issued to the student. The I.D. must remain in view on the desk while writing the exam, for inspection by the invigilators. Students should bring a BCIT OneCard or alternatively two pieces of identification, one of which must be government photo I.D. such as a drivers license. Formal invigilation procedures are detailed in BCIT policy # 5300.
 6. See attached "Notes to Students in FMGT 1110".
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Course Record

Developed by: Victor Waese
Financial Management Department

Date: August, 2001

Approved by: 
Associate Dean, Financial Management

Date: August, 2001

LECTURE SCHEDULE

Dates	Lecture Topics	Text Chapter
Sept. 5 & 7	Introduction to accounting, financial statements, and accounting transactions.	1
Sept. 12 & 14	Analyzing and recording transactions.	2
Sept. 19	Shinerama Day – no lecture.	
Sept. 21 & 26	Adjusting accounts for financial statements.	3
Sept. 28 & Oct. 3	Completing the accounting cycle and classifying accounts	4
Oct. 5 & 10	Accounting for Merchandising Activities	5
Oct. 12	Exam on Chapters 1 to 4	
Oct. 17 & 19	Merchandise Inventories and Cost of Sales	9
Oct. 24	Special journals and ledgers	6 (pgs. 301 to 315)
Oct 26 & 31	Internal Control and Cash	7
Nov 2	Exam on Chapters 5, 6, and 9	
Nov. 7 & 9	Receivables and Temporary Investments	8 and 16(pgs. 867 to 870)
Nov. 14 & 16	Capital Assets	10
Nov. 21	Current liabilities	11 (pages 557 to 573)
Nov. 23 & 28	Corporations	13
Nov. 30	Financial statement analysis	18
Dec. 5 & 7	Review of course material	
Week of Dec 10 - 14	Two hour exam covering all course material	

ASSIGNMENT SCHEDULE

Assignments are to be handed in at the beginning of the lecture on the Due Date listed.

There will be a 1% penalty taken off the final grade for each assignment not submitted when due. This penalty may be waived at the discretion of the instructor.

Assignments should be presented in neat and legible format. It is suggested that the student use columnar accounting paper or appropriate computer software where appropriate.

Due Date	Assignment
September 12	Problems 1-4B, 1-7B, 1-8B
September 21	Problem 2-3B, 2-6B, 2-7B
September 28	Problems 3-1B, 3-3B, 3-4B, 3-8B
October 5	Problems 4-3B, 4-4B, 4-6B
October 17	Problems 5-1B, 5-3B, 5-5B, 5-8B, 5-9B
October 24	Problems 9-4B, 9-6B, 9-7B, 9-9B
October 31	Comprehensive Problem 1 (Page 341 – 342 only)
November 7	Problems 7-2B, 7-4B, 7-7B
November 14	Problems 8-2B, 8-3B, 8-5B + Handout question on temporary investments.
November 21	Problems 10-3B, 10-4B, 10-8B
November 28	Problems 11-1B, 11-9B
December 5	Chapter 13 and 18 problems to be announced.

Notes to Students in FMGT 1110

Lectures are scheduled on Wednesday and Friday, in the 9:30 to 10:20 time period. The purpose of the lectures will be:

1. to introduce the material that you will be studying in the text,
2. to point out the things in the text that you should emphasize in your studying,
3. to help put the material into the context of business decision making.

I ask that you bring your text to each lecture and lab, as I will be referring to it quite often.

To learn the material in this course, you will not be able to rely on the lectures alone, and you will need to do the readings and assignments. I suggest that whenever you do the readings, to test your understanding and knowledge of the material, you should do review the "Self-Study Questions" and the "Questions" in the "Assignment Material" section at the end of each chapter. To emphasize the importance of this, I can tell you now, that a number of the questions on the exams will come directly, word for word, from these questions.

The labs will be used mainly to do exercises and problems together. Often we will work on problems which anticipate the problems that have been assigned as homework. One lab is scheduled to follow the Wednesday class with everyone from both sets, and the other labs are on Monday, with one set only in attendance. In addition to doing exercises and problems together, you are encouraged to use the labs to be sure to ask questions if you don't understand anything about the material. This doesn't mean you can't ask questions during the lectures, because I would invite you to do this also, but please be sure to bring problems you are having to the labs. You should remember, that if you are having trouble understanding something, it is likely others are having the same problem, and they will appreciate your talking up.

If there isn't enough time to deal with your questions during the labs, I will be scheduling office hours, times yet to be advised, that I would invite you to use to make appointments to see me. I am also willing to book appointments at other times if that is more convenient for each of us. You are welcome to try to see me without an appointment during my scheduled office hours, however, my availability will be on a first-come, first-served basis and subject to prior booked appointments. Another alternative is you can phone me or send me an e-mail, and I will try to help you that way.

The assignment schedule lists the weekly homework assignments that you will need to complete and hand in at the beginning of class on the due date. The workload implicit in these assignments is based on my belief that in this course, on top of the 4 hours of lectures and labs every week, you should spend a minimum of 6 hours a week on doing the readings, studying the questions, and doing the assignments. After you have done the reading and fully understand the material, which I am estimating will take you about 4 hours a week, you should be able to complete the assignments in about 2 hours, which is the standard amount of time predicted for the questions I have assigned.

The assignments will be graded as follows:

- A. = The work is of excellent quality.
- B. = The work is of acceptable quality. It shows good effort and good understanding, with only a few weaknesses in comprehension and/or accuracy.
- C. = The work is not quite of acceptable quality, but it is close and shows promise. It shows good effort but more than a few weaknesses in comprehension and/or accuracy.
- D. = The work is not satisfactory in regard to effort and knowledge.
- E. = The work is unacceptable.

You should be aware that the grade on your assignments will count towards 20% of your final grade. Also, there will be a 1% penalty off of the final grade for any assignments not submitted on

time, unless there is a reason that (in my discretion) I accept as valid. In regard to the assignments, please be aware that I do not object to students working together to help each other better understand the material, but it is vitally important that each student produce their own final work for submission. What this means is I have no objection to your working with a study group, but after your group discusses the material, you must break off and then on your own you must prepare your assignment submission individually, without assistance or notes from anyone else. Be aware that if for any reason I should suspect that a student has copied some other student's work, I reserve the right in my own discretion to disallow all of that student's assignment grades. Such a situation might also lead to more severe penalties in accordance with BCIT's policies on plagiarism, which all students (both those who plagiarize and those who assist others in plagiarizing) should be aware of.

I will return graded assignments to you as soon as I can, and we may or may not go over the solutions to the assignments in the labs, although, the labs would be a good time to bring up any lingering questions you may have about returned assignments. I will not be distributing complete solutions for the assignments, but will prepare a grader's comment sheet which should provide direction for students trying to determine what errors they made in their work.

There will be three exams. The first will be a mid-term covering the first 4 chapters, lasting 50 minutes, that will count towards 20% of the final grade. The second will cover chapters 5, 6 and 9, lasting 50 minutes, that will count towards 20% of the final grade. The final exam will be a two hour exam covering all the material in the course, that will count towards 40% of the final grade.