



A POLYTECHNIC INSTITUTION

School of Business

Program: Business Administration Post-Diploma

Option:

FMGT 1110
Financial Management 1

Start Date:	September 2002	End Date:	December 2002
Total Hours:	60	Total Weeks:	15
Hours/Week:	4	Lecture:	2
		Lab:	2
		Shop:	
		Seminar:	
		Other:	

Prerequisites

Course No.	Course Name
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FMGT 1110 is a Prerequisite for:

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, temporary investments, receivables, inventories, capital assets, and share capital; analysis of financial data and financial statements.

■ **Course Goals**

In this course students will study the conventional accounting system, learn to understand accounting terminology, and gain an appreciation of the uses and limitations of financial statements.

■ **Evaluation**

Mid term exams (two)	40%
Final exam	40%
Assignments	20%
TOTAL	<u>100%</u>

■ **Course Learning Outcomes/Competencies**

Upon successful completion, 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.

Students who have not successfully completed a course within three attempts will not be eligible to graduate from the appropriate program.

Course Outline Changes: The material or schedule specified in this course outline may be changed by the instructor. If changes are required, they will be announced in class.

■ Assignment Details

Assignments are to be handed in at the beginning of the lecture on the due date listed. Assignments submitted late will not be marked.

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

Assignments must be done on an individual basis. This does not mean that you may not consult with classmates or a study group in order to discuss and to work together to help each other better understand the assigned material; however, when you sit down to prepare your assignment for submission, the work that you do and the work that you submit must be your own work. Any assignments submitted that appear to be copies of other student's work will not be marked, and the students involved may be subject to discipline under the BCIT rules governing cheating and plagiarism (see comment on **Ethics** above).

FMGT 1110 Schedule (revised September 1, 2002)

Lecture	Outcome/Material Covered	Reading	Assignment	Due Date
Sept 4 & 6	Introduction to accounting, financial statements, and accounting transactions.	Chapter 1	Problems 1-4B, 1-7B, 1-8B	Sept 11
Sept 11 & 13	Analyzing and recording transactions.	Chapter 2	Problems 2-3B, 2-6B, 2-7B	Sept 20
Sept 20 & 25	Adjusting accounts for financial statements	Chapter 3	Problems 3-1B, 3-3B, 3-4B, 3-7B	Sept 27
Sept 27 & Oct 2	Completing the accounting cycle and classifying accounts	Chapter 4	Problems 4-3B, 4-4B, 4-6B	Oct 4
Oct 4 & 9	Accounting for merchandising activities	Chapter 5	Problems 5-1B, 5-3B, 5-5B, 5-8B, 5-9B	Oct 16
Oct 11	Exam on Chapters 1 to 4			
Oct 16 & 18	Merchandise inventories and cost of sales	Chapter 9	Problems 9-4B, 9-6B, 9-7B, 9-9B	Oct 23
Oct 23	Special journals and ledgers	Chapter 6 (pgs 301 – 315)	Problem 6-2B	Oct 28
Oct 25 & Oct 30	Internal control and managing cash	Chapter 7	Problems 7-2B, 7-4B, 7-7B, 7-9B	Nov 1
Nov 1 & 6	Receivables and temporary investments	Chapter 8 Chapter 16 (pgs 867 - 870)	Problems 8-2B, 8-3B, 8-5B, + Handout Question	Nov 13
Nov 8	Exam on Chapters 5,9,6,7			
Nov 13 & 15	Capital assets	Chapter 10	Problems 10-3B, 10-4B, 10-8B	Nov 20
Nov 20	Current Liabilities	Chapter 11 (pgs 557- 573)	Problems 11-1B, 11-9B	Nov 25
Nov 22	Capital stock	Chapter 13 (pgs 708 – 722, and pgs 727 – 731)	Problems 13-2B, 13-2C	Nov 29
Nov 27 & 29	Financial statement analysis	Chapter 18	Problems 18-1B, 18-2B, 18-6B	Dec 4
Dec 4 & 6	Review of course material			
Week of Dec 9	Two hour exam covering all course material			