



A POLYTECHNIC INSTITUTION

School of Business

Program: Business Administration Post-Diploma

Option:

**FMGT 1110**  
**Financial Management 1**

**Start Date:** September 2003

**End Date:** December 2003

**Total Hours:** 60 **Total Weeks:** 15

**Term/Level:** Post-Diploma **Course Credits:** 4

**Hours/Week:** 4 **Lecture:** 2 **Lab:** 2

**Shop:** **Seminar:** **Other:**

**Prerequisites**

**is a Prerequisite for:**

**Course No. Course Name**

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FMGT 2110 Financial Management 2

**v Course Description**

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

**v 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.

**v Evaluation**

Preparedness Quizzes – one for each chapter – 10 minutes each	20	%
Two mid term exams – 1 hour each	40	%
Final Exam – 2 hours	40	%
<b>TOTAL</b>	<b>100</b>	<b>%</b>

**v Course Learning Outcomes/Competencies**

Upon successful completion of the 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.



## v Instructor(s)

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## v Learning Resources

### Required:

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

Calculator

## v Information for Students

**Assignments:** Late assignments, lab reports or projects will **not** be accepted for marking. Assignments must be done on an individual basis unless otherwise specified by the instructor.

**Makeup Tests, Exams or Quizzes:** There will be **no** makeup tests, exams or quizzes. If you miss a test, exam or quiz, you will receive zero marks. Exceptions may be made for **documented** medical reasons or extenuating circumstances. In such a case, it is the responsibility of the student to inform the instructor **immediately**.

**Ethics:** BCIT assumes that all students attending the Institute will follow a high standard of ethics. Incidents of cheating or plagiarism may, therefore, result in a grade of zero for the assignment, quiz, test, exam, or project for all parties involved and/or expulsion from the course.

**Attendance:** The attendance policy as outlined in the current BCIT Calendar will be enforced. Attendance will be taken at the beginning of each session. Students not present at that time will be recorded as absent.

**Illness:** A doctor's note is required for any illness causing you to miss assignments, quizzes, tests, projects, or exam. At the discretion of the instructor, you may complete the work missed or have the work prorated.

**Attempts:** Students must successfully complete a course within a maximum of three attempts at the course. Students with two attempts in a single course will be allowed to repeat the course only upon special written permission from the Associate Dean. 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.

## v Details Concerning Assignments and Evaluation

### Scope of student's responsibility

The examinable material in this course consists of the material to be covered in the lectures and in the assigned text readings. Most of this material will be reviewed in the assigned problems that you are expected to do as homework and that we will take up in the labs. You are expected to have completed the assigned readings and problems before arriving at the labs that are scheduled to deal with that material.

You will not be submitting any assignments to me for grading. This does not lessen your responsibility for being prepared to review the assigned problems when we take them up in lab. In my opinion, it will be very difficult for you to learn the material in this course if you do not first do the problems on your own, and then come to lab ready to check your work for accuracy. Doing the work in advance is the only way for you to determine which parts of the material you do not understand, so that you can ask questions and get clarification. I cannot emphasize enough

that doing the work in advance is the only way for you to learn from our working on the solutions together. If you come to lab only to copy out the correct solutions in the hope that that will help you prepare for the exams, you will inevitably not learn the material adequately.

### **Preparedness Quizzes**

To provide you with some external motivation to keep your work up-to-date, there will be a 10-minute preparedness quiz every week, at the beginning of the first of the two labs devoted to the particular chapter. The material to be quizzed will be taken from the text readings and problems scheduled for that topic. These quizzes are not designed to test the student's mastery of the material, but instead to provide a grade-based incentive for students to have done the assigned reading and problems prior to our covering this material in lab. A grade of 50% or better on a preparedness quiz will result in the grade on that quiz being recorded as 100%. A grade of less than 50% on a preparedness quiz will result in the grade on that quiz being recorded as 0%. The preparedness quizzes in total will account for 20% of the student's final grade in the course.

### **Tests and Exams**

There will be 2 mid-term exams and 1 final exam. The mid-term exams, each accounting for 20% of the final grade in the course, will be 1 hour in length and will be scheduled for one of the regularly scheduled lecture hours. The final exam, accounting for 40% of the final grade in the course, will be specially scheduled and will be 2 hours in length.

### **Personal Reference Sheet**

All quizzes and exams will be closed book. However, students may use one, self-prepared, single-page, Personal Reference Sheet, with anything written on it, to refer to during quizzes and exams. The Personal Reference Sheet may not be any larger than 8 ½ " x 11", and on that sheet, there may only be hand written notes, written by the student for his/her own reference. There may not be any photocopied material on the sheet, nor may there be any items attached to the sheet. You may not use a Personal Reference Sheet prepared by someone else.

## Schedule

<b>Week of/ Number (Dates to be Confirmed)</b>	<b>Outcome/Material Covered</b>	<b>Reading</b>	<b>Assignment</b>	<b>Quiz/Due Date (Dates to be Confirmed)</b>
Lecture 1 & 2	Introduction to accounting, financial statements, and accounting transactions.	Chapter 1	Problems 1-4B, 1-7B, 1-8B	Lab 3
Lecture 3 & 4	Analyzing and recording transactions.	Chapter 2	Problems 2-3B, 2-6B, 2-7B	Lab 5
Lecture 5 & 6	Adjusting accounts for financial statements	Chapter 3	Problems 3-1B, 3-3B, 3-4B, 3-7B	Lab 7
Lecture 7 & 8	Completing the accounting cycle and classifying accounts	Chapter 4	Problems 4-3B, 4-4B, 4-6B	Lab 9
Lecture 9 & 10	Accounting for merchandising activities	Chapter 5	Problems 5-3B, 5-5B, 5-8B, Decision Problem 1	Lab 12
Lecture 11	Exam on Chapters 1,2,3,4			
Lecture 12 & 13	Merchandise inventories and cost of sales	Chapter 9	Problems 9-4B, 9-6B, 9-7B, 9-9B	Lab 14
Lecture 14	Special journals and ledgers	Chapter 6 (pgs 301 – 315)	Problem 6-2B	Lab 16
Lecture 15 & 16	Internal control and managing cash	Chapter 7	Problems 7-2B, 7-4B, 7-7B, 7-9B	Lab 17
Lecture 17 & 18	Receivables and temporary investments	Chapter 8 Chapter 16 (pgs 867 - 870)	Problems 8-2B, 8-3B, 8-5B, + Handout Question	Lab 20
Lecture 19	Exam on Chapters 5, 9, 6,7			
Lecture 20 & 21	Capital assets	Chapter 10	Problems 10-3B, 10-4B, 10-8B	Lab 22
Lecture 22	Current Liabilities	Chapter 11 (pgs 557- 573)	Problems 11-1B, 11-9B	Lab 23
Lecture 23	Capital stock	Chapter 13 (pgs 708 – 722, and pgs 727 – 731)	Problems 13-2B, 13-2C	Lab 24
Lecture 24 & 25	Financial statement analysis	Chapter 18	Problems 18-1B, 18-2B, 18-6B	Lab 26
Lecture 26	Review of course material			
Exam week	Two hour exam covering all course material.			