



School of Business

Program: Financial Management

Options: Accounting and Finance

FMGT 3110
Financial Accounting 1

Hours/Week:	5	Total Hours:	75	Term/Level:	3
Lecture:	2 Hours	Total Weeks:	15	Credits:	
Sem:	2 Hours				
Lab:	1 Hour				

Prerequisites

FMGT 3110 is a Prerequisite for:

Course No.		Course No.	Course Name
FMGT 2100	with a mark of 70% or	FMGT 4110	Financial Accounting 2
FMGT 2105	with a mark of 65%		

Students transferring to BCIT's second year from other departments or colleges must have completed the equivalent of FMGT 1100 and 2100 with a minimum grade of 70%.

Course Goals

This is the first of two courses in intermediate accounting designed to prepare the student to enter a professional accounting program at the intermediate level. FMGT 3110 covers a review of the accounting cycle taken in FMGT 1105/2105; the application of GAAP and accounting concepts and principles to the accounting process; the preparation of all financial statements; recognition and measurement of revenues/gains/expenses/losses under GAAP including all necessary adjustments; presentation and measurement of current assets of cash, receivables and inventory.

Course Description

This course and FMGT 4110 prepare students for career advancement and advanced study in accounting. Topics cover development of financial information for external circulation; the accounting process from a more analytical and critical standpoint; the income statement and balance sheet; statement of changes in financial position (cash basis); cost, valuation, presentation and income measurement problems associated with current assets and current liabilities.

Evaluation

Quizzes & Participation	10%
Mid-Term	40%
Final Examination	50%
TOTAL	100%

Course Outcomes and Sub-Outcomes

1. Identify and explain the major accounting concepts and principles and be able to identify which of the principles or concepts apply to specific accounting principles.
2. Explain the objectives of financial reporting and explain the application of those objectives in statement preparation.
3. Recognize and measure revenue in accordance with GAAP for specific revenue transactions including measurement of revenue deferrals.
4. Recognize and measure expenses in accordance with GAAP for specific expenditure transactions including deferrals.
5. Properly record the various revenue and expense transactions in the accounting cycle including adjusting, closing and reversing entries.
6. Prepare a worksheet.
7. Use special journals and subsidiary ledgers.
8. Prepare a statement of income in proper form properly identifying and classifying other gains and losses and extraordinary items and calculating basic EPS from an adjusted trial balance and other supplementary information.
9. Prepare a statement of retained earnings from data supplied including identifying and properly presenting prior period adjustments.
10. Prepare a basic statement of changes in financial position – cash basis – with properly identified operational, finance and investment activities.
11. Prepare a properly classified statement of financial position with proper disclosures from an adjusted trial balance.
12. Explain the criteria for classifications of various statement components such as current assets versus operating assets; financing activities versus investing activities.
13. Properly identify and classify different types of cash accounts for reporting purposes; explain internal control techniques for cash and prepare a complex bank reconciliation.
14. Properly measure, adjust, record and report on accounts and notes receivable including determination of bad debts reported using acceptable methods, determining discounted values and present values of notes.
15. Account for discounting, selling, pledging and factoring notes and accounts receivable.
16. Properly report and measure inventory values and the resulting cost of goods sold using FIFO, LIFO, Weighted Average, Moving Average and application of LCM concept as permitted in the Handbook.
17. Account for inventory transactions using both perpetual and periodic inventory methods and report on the effect on income and asset values due to the choice.

18. Estimate inventory values using the gross margin method and the retail inventory method based on FIFO/Average; Cost/LCM valuations.
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Course Record

Developed by: J. Hughes Date: August, 1996
Instructor Name and Department (signature)

Revised by: J. Hughes Date: August, 1996
Instructor Name and Department (signature)

Approved by: C.M. Briscall Start Date: August, 1996
Associate Dean / Program Head (signature)



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

School of Business

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Course Outline Part B

FMGT 3110
Financial Accounting 1

Effective Date

September, 1996

Instructor(s)

Jim Hughes	Office No.:	SE6 381	Phone:	451-6753
Chris Trunkfield	Office No.:	SE6 383		451-6752

Text(s) and Equipment

Required:

The following is a small selection only of interesting and useful supplementary reading and reference material.

1. Your first year accounting textbook
 2. "Intermediate Accounting" — Seventh Canadian Edition — Welsh, Zlatkovitch, Nelson & Zin
 3. C.I.C.A. Handbook
 4. "Accounting Theory" — Hendriksen, E.S.
 5. "Financial Reporting in Canada" — C.I.C.A.
 6. Canada Business Corporations Act
 7. B.C. Companies Act
 8. Monthly magazines of C.A., C.G.A. and C.M.A. Associations
 9. Published financial reports of leading Canadian companies
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Course Notes (Policies and Procedures)

ALL OUTLINES, SCHEDULES, AND MARK ALLOCATIONS ARE SUBJECT TO CHANGE IF THE INSTRUCTOR DETERMINES THAT A CHANGE IS REQUIRED.

Assignment Details

Attendance requirements will be enforced as per the BCIT policy on page 3 of the calendar. Excessive absence will be deemed to be missing more than 2 seminars for reasons within the student's control. Upon notification of excessive absence and failure to provide adequate explanation, the student will be *disqualified from writing the final examination*.

Student solutions to the suggested problems do not have to be submitted for grading each week, however, the mark for participation will be largely based upon the oral response given by the students to questions specifically asked on the assignment during one of the seminars.



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Schedule

FMGT 3110
Financial Accounting 1

Week Ending	Outcome/Material Covered	Reference/Reading	Suggested Weekly Problems
Sept. 7	Introduction.	Ch. 1	Read Ch. 1 & 2
Sept. 13	Accounting principles and standards in a conceptual framework.	Ch. 2	Ques. 8, 11, 12, 18 & 25, p. 29 C. 1-2, p. 30 C. 1-6, p. 32
Sept. 20	Review of the accounting process stressing year-end accounting procedures, adjusting and reversing entries. Relationship between the accrual and cash basis of accounting.	Ch. 3	Ques. 5, 7, 9, 12, 13 & 14, p. 55 C. 2-11, p. 62 C. 2-23, p. 67
Sept. 27	Overview of the income and retained earnings statements and unusual income statement items.	Ch. 4	E. 3-13, p. 114 P. 3-4, p. 120 P. 3-7, p. 122 (omit f)
Oct. 4	Elements of the Statement of Financial Position and Statement of Changes and other additional disclosures.	Ch. 5	C. 4-3, p. 164 E. 4-11, p. 175 P. 4-4, p. 180 E. 4-16, p. 177
Oct. 11	Revenue and expense recognition concepts.	Ch. 6	E. 5-9, p. 239 E. 5-10, p. 239 E. 5-12, p. 240 P. 5-7, p. 250
Oct. 18	Departures from the basic principles of revenue recognition.	Ch. 6 Appendix A	C. 6-1, p. 294 E. 6-12, p. 298 P. 6-1, p. 304
	Cash control principles and bank reconciliations.	Ch. 7	

Week Ending	Outcome/Material Covered	Reference/Reading	Suggested Weekly Problems
Oct. 25	MIDTERM EXAM – Chapters 1, 2, 3, 4 and 5.		
Nov. 1	Accounting for and the valuation of accounts and notes receivable.	Ch. 7	P. 6–3, p. 305 P. 6–10, p. 308 P. 7–4, p. 371
Nov. 8	Inventory measurement and cost flow methods.	Ch. 8	P. 7–4, p. 371 E. 7–15, p. 366 P. 7–11, p. 376 P. 7–14, p. 377
Nov. 15	Recording Inventory at lower cost or market.	Ch. 9	C. 8–6, p. 415 E. 8–4, p. 419 P. 8–7, p. 431 (omit LIFO)
Nov. 23	Inventory estimation methods and other issues.	Ch. 9	E. 9–7, p. 465 P. 9–1, p. 469 P. 9–5, p. 472
Nov. 29	Cash and non cash acquisitions and disposals of assets.	Ch. 10	E. 9–10, p. 466 E. 9–14, p. 467 P. 9–11, p. 475
Dec. 6	Review.		P. 10–10, p. 520 E. 10–12, p. 514 P. 10–13, p. 528
Dec. 13	FINAL EXAMINATION – Chapters 1–10 inclusive.		

Course outline for FMGT 4110 will be distributed at commencement of Term 4 in January, 1997.