



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

School of Business

Program: Financial Management

Option: Accounting and Finance

Course Outline

FMGT 3110

Financial Accounting 1

Start Date: September, 2001

End Date: December, 2001

Course Credits:

Term/Level: 3

Total Hours: 75

Total Weeks: 15

Hours/Week: 5

Lecture: 2

Lab: 1

Shop:

Seminar: 2

Other:

Prerequisites

FMGT 3110 is a Prerequisite for:

Course No.	Course Name
FMGT 2100	with a mark of 70% or
FMGT 2105	with a mark of 65%

Course No.	Course Name
FMGT 4110	Financial Accounting 2

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 Calendar Description

Begins with a rigorous review of the concepts, principles, measurements and accounting process, acquired in the introductory level. This foundation is subsequently built upon on a topic specific bases; current assets and related valuations, current liabilities, fixed assets and critical income and expense recognition applications in diverse and complex business situations. These topics are continuously incorporated into an increasingly complex accounting model with the culmination (preparation, presentation and disclosures) of the financial statements (income, balance sheet, retained earnings, statement of cash flows.) The strengths, limitations and utility of the GAAP accounting model are discussed with each topic and its application.

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, current liabilities, and fixed assets.

Evaluation

Quizzes	10%
Level I Assignment	5%
Midterm Exam	35%
Final Exam	50%
TOTAL	100%

Course Learning Outcomes/Competencies


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 statement of income in proper form properly identifying and classifying other gains and losses, extraordinary items and other irregular items.
7. Prepare a statement of retained earnings from data supplied including identifying and properly presenting adjustments to beginning balances.
8. Identify the components and minimum disclosures for the statement of cash flow — with properly identified operating, financing and investing activities. Introduction to direct and indirect formats.
9. Explain the criteria for classifications of various statement components such as current assets versus non-current assets; debt and equity classifications based on economic substance.
10. Properly identify and classify different types of cash accounts for reporting purposes; explain internal control techniques for cash.
11. 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.
12. Account for discounting, selling, pledging and factoring notes and accounts receivable.
13. 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.
14. 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.

15. Estimate inventory values using the gross margin method and the retail inventory method based on FIFO/Average; Cost/LCM valuations.
16. Identify and value types of fixed assets; accounting for non-productive assets; similar and dissimilar asset exchanges; assets acquired through favourable financing and share exchanges; self-constructed assets; asset impairments; intangible assets and introduction to purchased goodwill..
17. Amortization of tangible and intangible assets; industry or business specific amortization methods; development of depletion rates (including depletion base components) in the natural resource sector and related accounting application.

Course Content Verification

I verify that the content of this course outline is current, accurate, and complies with BCIT Policy.


Associate Dean


Date

Note: Should changes be required to the content of this course outline, students will be given reasonable notice.



Instructor(s)

James Hughes, CA
Bryan Parker, CA

Office No.: SE6-381
SE6-337

Office Phone: 451-6753
451-6752

Learning Resources

Required:

Intermediate Accounting – 1st Canadian Edition – Beechy, Conrod.

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

1. Your first year accounting textbook
 2. C.I.C.A. Handbook — See instructor for on-line access if required.
 3. “Financial Reporting in Canada” — C.I.C.A.
 4. Canada Business Corporations Act
 5. B.C. Companies Act
 6. Monthly magazines of C.A., C.G.A. and C.M.A. Associations
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BCIT Policy Information for Students

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. 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.***

Students will be expected to participate in seminar and lab discussions and may be called upon to present their analysis of a given problem or accounting issue.

ID Required in Examination Centers. Effective December, 2000, in order to write exams, students will be required to produce photo-identification at examination centers. Photo ID must be placed on the desk before an exam will be issued to the student. The ID must remain in view on the desk while writing the exam, for inspection by invigilators. Students should bring a BCIT OneCard or alternatively two pieces of identification, one of which must be a government photo ID such as a driver’s license. Please see BCIT Policy #5300, Formal Invigilation procedures.



The assignment schedule is indicated below. Check keys will be posted on the faculty web pages at either:
www.faculty.org/fp/jhughes or www.faculty.org/fp/bparker

It is expected that all assignments will be prepared for debrief in labs and seminars. Students will not be able to keep pace with the course unless assignments are prepared in advance.

September 3	Introduction		Comprehensive Level I Assignment	September 13
September 10	Lecture #1: Criteria for Accounting Choices Lecture #2: Income Statement (selected topics) 1. Income Statement Formats 2. Irregular items (discontinued operations, extraordinary) 3. Intraproduct tax allocation 4. Estimate changes & Retained Earnings adjustments	Chapters 2 & 3 Exclude Appendix in Chapter 3	Assignment due 13 th P2-7,8 P3-6,7,10	Debrief following week
September 17	Lecture #1: Balance Sheet Presentation with emphasis on disclosure requirements Lecture #2: Statement of Cash Flows	Chapter 4 Exclude Auditor's Report Chapter 5	P4-4,6 P5-2,3	Debrief following week
September 24	Lectures 1 & 2: Revenue Recognition	Chapter 6	P6-1,6,8,13	Debrief Following week
October 1	Revenue Recog./Review			
October 8	Monday: Thanksgiving Day Review			
October 15	Mid-term Exam Week			
October 22	Lectures 1 & 2: Expense Recognition	Chapter 7	P7-6,7,9,10 +depletion	Debrief following week
October 29	Lectures 1 & 2: Current Monetary Balances	Chapter 8 Exclude	P8-3,6,7,8,11	Debrief following

		Appendix		week
November 5	Lectures 1 & 2: Inventories	Chapter 9	P9-3,8,11,12	Debrief following week
November 12	Monday: Remembrance Day Lectures 1 & 2: Capital Assets (including intangibles)	Chapter 10	P10-5,8,10,13, 18 + handout on self constructed	Debrief following week
November 19	Lectures 1 & 2: Asset Amortization	Chapter 11 Exclude Appendix	P11-4,6,7,10	Debrief following week
November 26	Review			
December 10	Final Exam Week			

See also **Detailed Course Content and Examinable Basis Listing.**