



A POLYTECHNIC INSTITUTE

School of Business

Program: Financial Management

Option: Finance

DEC 02 2004
Course Outline

FMGT 3110
Financial Accounting 1

Start Date: September, 2004

End Date: December, 2004

Course Credits: 5

Term/Level: 3

Total Hours: 70

Total Weeks: 14

Hours/Week: 5

Lecture: 1

Lab: 2

Seminar: 2

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 Description

Begins with a rigorous review of the concepts, principles, measurements and accounting process, acquired in the introductory level. Financial Statement analysis and understanding will be emphasized. 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, disclosures, and analysis) 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. 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 and evaluation of all financial statements; recognition and measurement of revenues/gains/expenses/losses under GAAP including all necessary adjustments; presentation, measurement and analysis of current assets, current liabilities, and fixed assets.

Evaluation

Assignments	10%
Midterm Exam	40%
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 and evaluation.
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. Evaluate a set of financial statements through the use of ratios and the general understanding of the accounting principles adopted by the specific company.
10. 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.
11. Properly identify and classify different types of cash accounts for reporting purposes; explain internal control techniques for cash.
12. 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.
13. Account for discounting, selling, pledging and factoring notes and accounts receivable.
14. 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.

15. 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.
16. Estimate inventory values using the gross margin method and the retail inventory method based on FIFO/Average; Cost/LCM valuations.
17. 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..
18. 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.

Sharon Hatten, C.G.A.
Authoring Instructor

August, 2004
Date

I verify this course content has been reviewed.

Terry Gordon
Program Head

August, 2004
Date

I verify that this course outline complies with BCIT policy.

[Signature]
Associate Dean

August 27, 2004
Date

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



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Instructor(s)

Sharon Hatten, CGA, Dipl of Tech.
sharon_hatten@bcit.ca

Office No.: SE6-383

Office Phone: 451-6758

Learning Resources

Required:

Intermediate Accounting – 2nd Canadian Edition – Beechy, Conrod. Volumes 1 & 2.

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

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, and is at the instructor's discretion. 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 exams. 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.

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.



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Schedule

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The course schedule is indicated below. Weekly assignments will be announced in the lecture and collected the following week. Lectures are on Thursday and Friday of the week indicated.

Week ended	Outcome/Material Covered	Reference/ Reading	Assignment	Date Due
September 7	Introduction – Course Materials Handout, Criteria for Accounting Choices	Chapter 1 & 2		
September 13	Income Statement and Statement of Retained Earnings	Chapters 2 & 3 (Exclude Appendix in Chapter 3)		
September 20	Balance Sheet and Disclosure	Chapter 4		
September 27 September 29	Statement of Cash Flows Shinerama	Chapter 5		
October 4	Financial Statement Analysis	Chapter 23		
October 11	Thanksgiving			
October 12	Financial Statement Analysis	Chapter 23		
October 18-22	MID-TERM EXAM WEEK			
October 25	Revenue Recognition	Chapter 6		
November 1	Expense Recognition	Chapter 7		
November 8	Inventories	Chapter 9		
November 11	Remembrance Day			
November 15	Capital Assets & Goodwill	Chapter 10		
November 22	Capital Assets: Amortization, Impairment, and Revaluation	Chapter 11		
November 29	Review	None		
December 6	Final Exam Week			