



JUN 29 1998

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

Course Outline

School of Business

FMGT 1110

Program: Business Administration Post-Diploma

Financial Management 1

Instructor

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Office Hours: to be announced

Hours/Week:	4	Total Hours:	60	Term/Level:	Post-Diploma
Lecture:	2	Total Weeks:	15	Credits:	4
Lab:	2				

Prerequisites

FMGT 1110 is a Prerequisite for:

Course No.

Course Name

Course No.

Course Name

FMGT 2110

Financial Management 2

Course Description

Covers basic accounting procedures: statement and ledger organization; adjustments; closing the books; working papers; merchandise operations; special journals; accounting principles; accounting for cash; receivables; inventories; capital assets; forms of business organization; financial statement analysis.

Course Goals

In this course students will learn the conventional accounting system, understand accounting terminology, analyze financial statements and appreciate the uses and limitations of financial statements.

Evaluation

Final examination	30%
Mid-term examinations	60%
Assignments	10%
	<hr/> 100%

Course Learning Outcomes

Upon successful completion of this course, the student will be able to:

1. Analyze business transactions to determine their effects on the accounting equation.
2. Record transactions in a General Journal and post entries from the journal to the ledger.
3. Prepare a trial balance and explain its usefulness.
4. Explain why the accrual basis of accounting produces more useful financial statements than the cash basis.
5. Prepare adjusting entries.
6. Prepare a classified balance sheet.
7. Prepare a work sheet and prepare financial statements from the information in a work sheet.
8. Prepare closing entries and a post-closing trial balance.
9. Describe each step in the accounting cycle.
10. Prepare entries to record the declaration and payment of a dividend.
11. Analyze the effects of merchandising activities on the financial statements and record sales of merchandise.
12. Describe how the ending inventory and the cost of goods sold are determined with perpetual and periodic inventory systems.
13. Prepare classified, multiple-step and single-step income statements.
14. Describe the components of computerized accounting systems.
15. Record transactions in special journals and complete posting to general and subsidiary ledgers.
16. Explain why internal control procedures are needed in a large organization and state the broad principles of internal control.
17. Prepare journal entries to record petty cash fund transactions.
18. Prepare a bank reconciliation.
19. Prepare journal entries to account for temporary investments and explain how lower of cost or market is reported on such investments.
20. Account for bad debts under the allowance method and the direct write-off method.
21. Prepare entries to record the receipt of promissory notes and their payment or dishonour.
22. Calculate the cost of an inventory using various methods and explain the financial statement effects of choosing one method over the others.
23. Explain the effect of inventory errors.
24. Prepare entries to record merchandise transactions and maintain subsidiary inventory records under a perpetual inventory system.
25. Use the retail method and the gross profit method to estimate an inventory.
26. Calculate the cost and record the purchase of plant assets.
27. Calculate amortization by the straight-line, units-of-production and declining balance methods.
28. Account properly for revenue and capital expenditures.

29. Prepare entries to account for the disposal or exchange of capital assets.
30. Explain the advantages, disadvantages and organization of corporations.
31. Record the issuance of no-par-value shares.
32. Record transactions involving share subscriptions.
33. State the differences between common and preferred shares and allocate dividends between common and preferred shares.
34. Describe convertible preferred shares and explain the meaning of redemption, book and market values of shares.
35. Prepare and interpret comparative financial statements and common-size comparative statements.
36. Calculate and interpret various ratios, turnovers and rates of return.

Text(s) and Equipment

Required:

Larson, Nelson, Zin and Carroll, *Financial Accounting Principles*, Eighth Canadian Edition, Irwin

Pad of 3 or 4 column accounting paper, legal size

Sharp EL-733A calculator


Policies and Procedures

1. All outlines, schedules and marks allocations are subject to change at the discretion of the instructor.
2. This Course Outline may assist you in the future to receive credit for all or part of a course from another post-secondary institution or from a professional program. It is strongly recommended that you keep this Course Outline for future reference.
3. Acts of cheating plagiarism and dishonesty are not tolerated. The degree of punitive action may vary from a written warning to withdrawal from the program. These penalties may also be applied to students who knowingly contribute to an act of cheating, plagiarism or dishonesty. (See page 2 of the 1997-98 BCIT Calendar.)
4. Attendance requirements will be enforced as per the policy on page 3 of the 1997-98 BCIT Calendar. Students who are absent for more than 10 percent of the course may not be permitted to write the final examination. Please keep the instructor informed if you are absent because of illness or for other valid reasons.

Course Record

Developed by: Margaret Briscall
Financial Management Department

Date: August, 1997

Approved by: Dick Dolan 
Associate Dean, Financial Management

Date: September, 1997

LECTURE SCHEDULE

Dates	Lecture Topics	Chapter
Sept. 3 & 5	Financial Statements and Accounting Principles	1
Sept. 10 & 12	Recording Transactions	2
Sept. 17	Shinerama Day - no lecture	
Sept. 19 & 24	Adjusting the Accounts and Preparing the Statements	3
Sept. 26 & Oct. 1	The Work Sheet and the Closing Process	4
Oct. 3 & 10	Accounting for Merchandising Activities	5
Oct. 8	Mid-Term Exam on Chapters 1 to 4	
Oct. 15 & 17	Accounting Systems	6
Oct. 22 & 24	Accounting for Cash and the Principles of Internal Control	7
Oct. 29 & 31	Temporary Investments and Receivables	8
Nov. 5	Mid-Term Exam on Chapters 5 to 8	
Nov. 7 & 12	Inventories and Cost of Goods Sold	9
Nov. 14 & 19	Capital Assets: Plant and Equipment	11
Nov. 21 & 26	Organization and Operation of Corporations	15
Nov. 28 & Dec. 3	Analyzing Financial Statements	19
Dec. 5	Review for Final Examination	

ASSIGNMENT SCHEDULE

Assignments are to be handed in at the beginning of the lecture.
Exercises and Problems should be answered on columnar accounting paper or using appropriate computer software.

Due Date	Assignment
September 10	Exercise 1-5, Problem 1-2
September 18 *	Problem 2-4
September 24	Exercise 2-13, Problem 2-7
October 1	Problems 3-5 & 3-6
October 8	Problem 4-3 (answer on attached sheets)
October 15	Exercise 5-2, Problem 5-8
October 22	Problem 6-3 (answer on attached sheets)
October 29	Exercises 7-5 & 7-9, Problem 7-4
November 5	Exercise 8-1, Problem 8-2
November 12	Problems 8-4 & 8-6
November 19	Exercises 9-1 & 9-3, Problem 9-6
November 26	Problems 11-2 & 11-5
December 3	Problems 15-1 & 15-4

* Please deliver assignments to my office (SE6 335) before 9:00 a.m.