

# BUSI 1002 Q, R, S

## Introduction to Accounting

(Spring 2009)

School of Business  
Faculty of Business and Economics  
The University of Hong Kong

### I. COURSE INFORMATION

**Textbook:** J.R. Williams, S.F. Haka, M.S. Bettner, J.V. Carcello, Financial Accounting, 13<sup>th</sup> edition, 2008, McGraw-Hill International Edition.

**Textbook supporting website:** [www.mhhe.com/williamsfinancial13e](http://www.mhhe.com/williamsfinancial13e)

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#### Course Hours:

Sub-class Q: Tuesday 9:30 – 11:20; Thursday 9:30 – 10:20  
Sub-class R: Tuesday 15:00 – 15:50; Thursday 14:00 – 15:50  
Sub-class S: Tuesday 16:00 – 16:50; Thursday 16:00 – 17:50

### II. COURSE DESCRIPTIONS

The purpose of this course is to introduce students to the concepts of financial accounting and its underlying assumptions. This introductory accounting course assumes no prior academic knowledge of accounting and is designed for both accounting and non-accounting majors. We will discuss how to prepare and how to use financial statements. We will also talk about the limitations of financial statements. The presentation will consist of moderately technical expositions of concepts and materials. Throughout the course we will illustrate applications of accounting principles with real examples.

### III. COURSE OBJECTIVES

1. Provide students with basic concepts and principles of financial accounting;
2. Help students comprehend the framework of accounting theory, the basic accounting cycle, and financial statement preparation;
3. Develop students' ability to use financial accounting information in different decision-making scenarios;
4. Summarize the basic nature of the accounting profession;
5. Develop students' awareness of ethical issues in financial reporting.

**IV. INTENDED LEARNING OUTCOMES (ILOs)**

On completion of this course, students should be able to:

- ILO1.* Describe the basic accounting concepts and principles used in preparing the financial statements;
- ILO2.* Explain, identify, classify, measure, record, and report financial information;
- ILO3.* Prepare and report public companies' financial statements including Balance Sheet, Income Statement, and Cash Flow Statement;
- ILO4.* Employ analysis and application skills in using the financial information to make business decisions;
- ILO5.* Identify and evaluate the ethical dilemmas in financial reporting;
- ILO6.* Demonstrate effective communication skills.

**V. ALIGNMENTS OF PROGRAM AND COURSE ILOs**

<b>Program ILOs</b>	<b>Course ILOs</b>
1. Acquisition and internalization of knowledge of accounting, business, and economics	ILOs 1, 2, and 3
2. Application and integration of knowledge	ILOs 3 and 4
3. Inculcating professionalism and leadership	ILOs 4, 5, and 6
4. Mastering communication skills	ILO 6

**VI. TEACHING AND LEARNING ACTIVITIES (TLAs)***TLA1. Interactive lectures*

- Lectures: basic knowledge of financial accounting is presented with PowerPoint slides.
- In-class exercises: basic concepts and techniques are illustrated using examples. Students work through in-class exercises along with the lecturer. These exercises help students follow the lectures closely and actively.
- In-class discussions: students are encouraged to raise questions, participate in discussions, and share opinions with their peers. These discussions encourage students to think more for certain arguable topics.
- Small case analyses: Students are required to form groups to analyze and present small cases. The assigned cases have a broad coverage, including applications of accounting knowledge to real-life situations, discussions of controversial issues in standard setting, discussions of ethical issues. These practices help students improve critical thinking abilities and research skills.

Major focus: ILOs 1, 2, 3, 4, 5, and 6.

*TLA2. Tutorials*

Practice questions and selective assignments are covered.

- Weekly tutorial assignments: students are required to complete assigned homework before each tutorial session on an individual basis. Practices are especially important for the introductory accounting course. The assignments help students better understand the concepts and techniques learned in class.
- In-class interactive activities: students are required to actively participate in class exercises and discussions.
- Outside-classroom activities: each lecturer (tutor) provides 1 (1.5) hour(s) of consultation weekly to address students' questions and doubts related to the course.

Major focus: ILOs 1, 2, and 3.

**VII. ASSESSMENT TASKS/ACTIVITIES (ATs)**

Attendance, assignments, and in-class participation	15%
Small case analysis	10%
Mid-term examination	35%
<u>Final examination</u>	<u>40%</u>
Total	100%

*AT1. Attendance and assignments (15%)*

Students are expected to attend and participate actively in lectures and tutorials. Students are also required to attempt selected assignments. Participation and assignments are evaluated for each student by the demonstrator. The objective of the tutorials is to help students digest and apply the knowledge they have learned from the classes.

Focus: ILOs 1, 2, 3, 4, and 5.

**Grading Criteria**

Grade	A+, A, A-	B+, B, B-	C+, C, C-	D+, D	F
Criteria	Extremely well prepared for class discussion, active in sharing views, and attended at least 90% of classes	Partially prepared for class discussion, quite active in sharing views, and attended at least 80% of classes	Not well prepared for class discussion, limited sharing of views, and attended at least 70% of classes	Not well prepared for class discussion, no sharing of views, and attended at least 60% of classes	Never prepared for class discussion, no sharing of views and experience, and attended less than 50% of classes

*AT2. Small case analysis (10%)*

Small case analysis will be prepared on a group basis (five or six members in each group). Students should form groups in the same tutorial. Each group is responsible to make 10-minute presentation in the tutorial session on one of the cases selected from the textbook. Cases will be assigned on a random draw basis. The date for the case

presentation is shown on the attached “tutorials and assignments”. For those cases that involve a *BusinessWeek* article, students should read the article. The objective of the small case analysis is to help students apply the knowledge to real-life situations and improve communication skills.

Focus: ILOs 4, 5, and 6.

#### Grading Criteria

Grade	<b>Depth and breadth of coverage, critical elements, structure, language and conventions</b>
A+, A, A-	<p>The presentation was highly successful at communicating the essential elements of the topic to the audience.</p> <p>Concepts were thoroughly explained and clarified.</p> <p>The presentation demonstrated deep understanding and comprehension of the topic.</p> <p>There was clear evidence of independent thought and reflection on the topic.</p> <p>The topic was covered in a highly professional and organized manner.</p> <p>The presenter displayed excellent verbal skills and delivered a highly interesting, coherent presentation at an appropriate level for the audience.</p>
B+, B, B-	<p>The presentation was successful at communicating the essential elements of the topic to the audience.</p> <p>Most concepts were well explained and clarified.</p> <p>The presentation demonstrated sound understanding and comprehension of most aspects of the topic.</p> <p>The topic was covered in a professional and organized manner.</p> <p>The presenter displayed good verbal skills and mostly delivered an interesting, coherent presentation at an appropriate level for the audience.</p>
C+, C, C-	<p>The presentation adequately communicated most of the essential elements of the topic to the audience.</p> <p>Most concepts were adequately explained.</p> <p>The presentation demonstrated good understanding and comprehension of most aspects of the topic.</p> <p>The topic was covered in an organized manner.</p> <p>The presenter displayed adequate verbal skills and mostly delivered a coherent presentation at an appropriate level for the audience.</p>
D+, D	<p>The presentation basically covered the main aspects of the topic.</p> <p>The presentation demonstrated basic understanding and comprehension of most of the topic.</p> <p>The topic was covered in a basic manner.</p> <p>The presenter displayed minimal standards of verbal skills, coherence, and organization.</p>

F	<p>The presentation was poorly addressed and/or concepts were inadequately explained.</p> <p>The presentation did not demonstrate sufficient understanding and comprehension of the topic.</p> <p>The topic was not covered acceptably and/or was poorly organized.</p> <p>Verbal skills were inadequate.</p>
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### AT3. Midterm exam (35%)

One mid-term exam will be held in class. The exam urges students to digest the knowledge on a timely basis. The exam will consist of multiple choice questions and problems. Grades are based on what percentage of total marks the students can obtain from the exam. *No make-up exams will be given except for medical reasons supported by proper documents.*

Focus: ILOs 1, 2, and 3.

### AT4. Final exam (40%)

The final exam will be held in the normal exam period. It is a closed book comprehensive exam which covers all the chapters on the course syllabus. The exam will consist of multiple choice questions and problems. The objective of the final exam is to further enhance students' understanding of the basic concepts and theories and develop their ability to apply the knowledge in business situations. Grades are based on what percentage of total marks the students can obtain from the exam. With the exception of extremely special cases, NO MAKEUP test will be allowed if students fail to seek ADVANCE permission from the instructor.

Focus: ILOs 1, 2, 3, 4, 5, and 6.

## VIII. COURSE POLICY AND ACADEMIC CONDUCT

- a) The **course and tutorial schedule** is given at the end of this course outline. (Changes to the schedule may be made, when necessary.) Note that not all topics in the textbook will be taught in this course, and only those topics that are covered in the lectures will be tested in exams.
- b) The dates for the **midterm exam and final exam** will be announced in due course.
- c) Please feel free to use the “**Discussion**” on WebCT to post questions. I will post replies to these questions on a timely basis. You are also welcome to ask questions in person during my office hours or by appointments.
- d) **Plagiarism** and copying of copyright materials are serious offences and may lead to disciplinary actions. Students should read the chapters on “Plagiarism” and “Copyright” in the Undergraduate/Postgraduate Handbook for details. Students are strongly advised to read the booklet entitled “What is Plagiarism” which was distributed to them upon their admission into the University, a copy of which can be

found at [www.hku.hk/plagiarism](http://www.hku.hk/plagiarism). A booklet entitled “Plagiarism and How to Avoid it” is also available from the Main Library.

- e) Students are required to **attend all the lectures and tutorials on time**. In case they cannot attend, they should inform the instructor beforehand.
- f) **Beepers and cell phones** should be kept off in class. Please help create a pleasant learning environment for all the students.

**IX. LECTURE SCHEDULE**

<b>Week</b>	<b>Topic</b>	<b>Reading</b>
Week 1 (Jan 12 – Jan 17)	Accounting: Information for Decision Making	Ch. 1 Whole chapter
Week 2 (Jan 19 – Jan 24)	Basic Financial Statements	Ch. 2 Whole chapter
Week 3 (Feb 2 – Feb 7)	The Accounting Cycle: Capturing Economic Events	Ch. 3 Whole chapter
Week 4 (Feb 9 – Feb 14)	The Accounting Cycle: Accruals and Deferrals	Ch. 4 Whole chapter <b>Case 4.3*</b>
Week 5 (Feb 16 – Feb 21)	The Accounting Cycle: Reporting Financial Results	Ch. 5 Whole chapter
Week 6 (Feb 23 – Feb 28)	Merchandising Activities	Ch. 6 Whole chapter except accounting for periodic inventory system
<b>Mar 2 – Mar 7      University Reading Week – No tutorials or lectures in that week</b>		
Week 7 (Mar 9 – Mar 14)	Financial Assets	Ch. 7 Whole chapter except accounting for marketable securities (p. 301 – 303)
Weeks 8 (Mar 16 – Mar 21)	Inventories and the Cost of Goods Sold	Ch. 8 Whole chapter
Week 9 (Mar 23 – Mar 28)	Plant and Intangible Assets	Ch. 9 Whole chapter except MACRS (p.406) <b>Case 9.4*</b>
Week 10 (Mar 30 – Apr 3)	Liabilities  Stockholders' Equity: Paid-in Capital	Ch. 10 Whole chapter except payroll liabilities (p .441 - 442), parts of long-term liabilities (p. 447 - 458), and special type of liabilities (p. 464 – 467)  Ch. 11 Whole chapter

Week 11 (Apr 6 – Apr 9)	Statement of Cash Flows	Ch. 13 Whole chapter except a worksheet for preparing a statement of cash flows (p. 594 – 598)
Week 12 (Apr 14 – Apr 18)	Financial Statement Analysis	Ch. 14 Whole chapter <b>Case 14.3*</b>
Week 13 (Apr 20 – Apr 25)	Preparation for final exam and Q & A	

\* Denotes assignments that consider ethical issues within accounting

## X. TUTORIALS AND ASSIGNMENTS

Tutorial	Chapter	Discussion	Assignment	Small Case Analysis
Week 1 (Jan 12 – Jan 17)		Lectures only.  No tutorials in that week.	--	
Week 2 (Jan 19 – Jan 24)	Ch. 1	<i>Discussion Questions:</i> 3, 5, 10, 15, 17, 27  <i>Exercises:</i> 1.7, 1.14*, 1.16	--	
Week 3 (Feb 2 – Feb 7)	Ch. 2	<i>Exercises:</i> 2.2, 2.6, 2.13	<i>Problems:</i> 2.10A  <b>Optional Question</b> <i>Problem:</i> 2.9A	<i>Case</i> 2.5*
Week 4 (Feb 9 – Feb 14)	Ch. 3		<i>Problems:</i> 3.2A, 3.4A  <b>Optional Question</b> <i>Problem:</i> 3.5A	<i>Case</i> 3.2*
Week 5 (Feb 16 – Feb 21)	Ch. 4	<i>Brief Exercise:</i> 4.10  <i>Exercises:</i> 4.3, 4.6, 4.7	<i>Problems:</i> 4.1A, 4.4A  <b>Optional Question</b> <i>Problem:</i> 4.3A	
Week 6 (Feb 23 – Feb 28)	Ch. 5	<i>Exercises:</i> 5.2, 5.4, 5.9, 5.14	<i>Problems:</i> 5.3A, 5.4A  <i>Case:</i> 5.1  <b>Optional Question</b> <i>Problem:</i> 5.5A	
<b>Mar 2 – Mar 7      University Reading Week – No tutorials and lectures in that week</b>				
Week 7 (Mar 9 – Mar 14)	Ch. 6		<i>Problems:</i> 6.2A, 6.8A(items a, b, c, g only)  <b>Optional Question</b> <i>Problem:</i> 6.5A	<i>Case:</i> 6.4*

Week 8 (Mar 16 – Mar 21)	Ch. 7		<i>Problems:</i> 7.1A, 7.3A  <b>Optional Question</b> <i>Problem:</i> 7.4A	<i>Case:</i> 7.3*
Week 9 (Mar 23 – Mar 28)	Ch. 8	<i>Exercises:</i> 8.6, 8.7, 8.9, 8.10, 8.13	<i>Problems:</i> 8.2A, 8.3A  <b>Optional Question</b> <i>Problem:</i> 8.4A	
Week 10 (Mar 30 – Apr 3)	Ch. 9	<i>Exercises:</i> 9.2, 9.4, 9.6, 9.8	<i>Problems:</i> 9.3A, 9.4A, 9.6A	
Week 11 (Apr 6 – Apr 9)	Chs 10 & 11		<i>Problems:</i> 10.3A 11.4A, 11.6A (a to f only)  <b>Optional Questions</b> <i>Problems:</i> 11.3A, 11.5A	<i>Case:</i> 10.3
Week 12 (Apr 14 – Apr 18)	Ch 13	<i>Exercises:</i> 13.2, 13.4	<i>Problems:</i> 13.1A  <b>Optional Questions</b> <i>Problems:</i> 13.3A	
Week 13 (Apr 20 – Apr 25)	Ch 14	<i>Exercises:</i> 14.6, 14.12	<i>Problems:</i> 14.7A, 14.9A  <b>Optional Questions</b> <i>Problems:</i> 14.5A	

\* Denotes assignments that consider ethical issues within accounting