



The University of Hong Kong
Faculty of Business and Economics
School of Business
Course Syllabus and Outline
BUSI 1002ABC Introduction to Accounting
Semester I, 20010/2011

I. COURSE INFORMATION

Course Name: Introduction to accounting

Prerequisite: Nil

Textbook: John J. Wild Ken W. Shaw Barbara, Principles of Financial Accounting, 19th edition, The McGraw-Hill Companies, Inc.

Textbook Supporting Website: www.mhhe.com/wildFAP19e

Reference: J.R. Williams, S.F. Haka, M.S. Bettner, J.V. Carcello, Financial Accounting, 13th edition, 2008, McGraw-Hill International Edition.

Instructor:

Dr. Chunlin Mao

Email: clmao@business.hku.hk

Tel: 2857-8345

Office: 722, Meng Wah Complex

Tutor:

BUSI1002_AC:

Rachel Ma

Office: 303, Kennedy Town Center

Phone: 6841-4405

Email: xrma@business.hku.hk

BUSI1002_B:

Cassandra Ho

Office: 601B, Meng Wah Complex

Phone: 2241-5244

Email: hokc@business.hku.hk

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 material. 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 will 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: 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

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

VI. TEACHING AND LEARNING ACTIVITIES (TLAs)

TLA1. Situation: 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 & 6.

TLA2. Situation: 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 discussion.

Major focus: ILOs 1, 2, 3.

TLA3. Situation: Group project and outside-classroom activities

- Group discussions: students are divided into groups to finish the group project. Each group will choose one company they are interested in and analyze the financial statements. Students are required to apply their knowledge learned from this course to evaluate this company for its short term and long term profitability, liquidity, solvency, etc. Group members meet to discuss the case, work on the case as a team and contribute jointly to the written report for timely submission.
- Lecturer and tutor consultations: each lecturer (tutor) provides 3 (4) hours of consultation weekly to address students' questions and doubts related to the course.

Major focus: ILOs 3 and 4.

VII. ASSESSMENT TASKS/ACTIVITIES (ATs)

Attendance, assignments and in-class participation	10%
Small case analysis	5%
Quizzes and term tests	25%
Group project	10%
<u>Final examination</u>	<u>50%</u>
Total	100%

AT1. Attendance and Assignments (10%)

Students are expected to attend and participate actively in lectures and tutorials. Quietly sitting in the tutorials does not count, but of course absenteeism from class will negatively affect the performance. Students are also required to attempt selected assignments. Participation and assignments are evaluated per student by the demonstrator. The objective of the tutorials is to help students digest and apply the knowledge they have learned from the classes.

Grading Criteria

ILO	A+ A A-	B+ B B-	C+ C C-	D+ D	F
ILOs 1, 2, 3, 4 and 5.	Extremely well prepared for class discussion, active in	Partially prepared for class discussion, quite active in	Not well prepared for class discussion, limited active	Not well prepared for class discussion, no sharing of	Never prepared for class discussion and no sharing of

	sharing views and attended at least 90% of classes	sharing views and attended at least 80% of classes	in sharing views and attended at least 70% of classes	views and attended at least 60% of classes	views and experience and attended less than 50% of classes
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AT2. Small Case Analysis (5%)

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 into real-life situations and improve communication skills.

Focus: ILOs **4, 5 and 6**.

Grading Criteria

Grade	Depth and breadth of coverage, critical elements, structure, language and conventions
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</p>

	<p>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 and or coherence and organization.</p>
F Fail	<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>

AT3. Quizzes and Term Test (25%)

With the exception of extremely special cases, NO MAKEUP test will be allowed if students fail to seek ADVANCE permission from the instructor. Two quizzes and one term test will be held in class. The tests are part of continuous assessment. Since the subject is quite logical, one week builds into the next week. A regular assessment urges students to digest the knowledge on a timely basis.

Grading Criteria

ILO	A+ A A-	B+ B B-	C+ C C-	D+ D	F
ILOs 1, 2, and 3.	<p>Provided accurate solutions to all problems, gave detailed and insightful responses to essay questions and scored correctly on more than 90% of the multiple choice questions</p>	<p>Provided accurate solutions to some problems, gave detailed responses to some essay questions and scored correctly on less than 90% of the multiple choice questions</p>	<p>Provided accurate solutions to a few problems, gave limited responses to some essay questions and scored correctly on less than 80% of the multiple choice questions</p>	<p>Provided inaccurate solutions to a few problems, gave unclear responses to most essay questions and scored correctly on less than 70% of the multiple choice questions</p>	<p>Skipped some problems or provided inaccurate solutions to most problems, gave poor responses to most essay questions and scored correctly on less than 60% of the multiple choice questions</p>

AT4. Group Project (10%)

Students are required to identify a public company and perform financial analysis on its financial performance such that investment and lending decisions can be formulated. Students could use tools of analysis introduced in the textbook (especially Chapter 17). Details of requirements will be given later.

Focus: ILOs **3, 4 and 6.**

Grading Criteria

Grade	Depth and breadth of Coverage, critical elements, structure, language and conventions
A+,A, A-	<p>All aspects were addressed and researched in great depth.</p> <p>Demonstrated a clear understanding of and the ability to apply the theory, concepts and issues relating to the topic.</p> <p>Clearly identified the most critical aspects of the task and adopted a critical perspective.</p> <p>Developed excellent argument and offered a logically consistent and well-articulated analysis and insight into the subject.</p> <p>Drew widely from the academic literature and elsewhere whilst maintaining relevance.</p> <p>All aspects conformed to a high academic / professional standard.</p>
B+, B, B-	<p>Most aspects were addressed and researched in depth.</p> <p>Demonstrated a good understanding and some application of the theory and issues relating to the topic.</p> <p>Identified critical aspects of the task and adopted a critical perspective.</p> <p>Showed some evidence of analysis, supported by logical argument and insight into the subject.</p> <p>Drew on relevant academic and other material.</p> <p>Most aspects conformed to a high academic / professional standard.</p>
C+, C, C-	<p>Most aspects were addressed and researched adequately.</p> <p>Demonstrated a good understanding of the theory, concepts and issues relating to the topic but limited application relating to the topic.</p> <p>Some presented argument showed some insight but not always consistent and logical.</p> <p>Drew upon an adequate range of academic and other material.</p> <p>Most aspects conformed to an acceptable academic / professional standard.</p>
D+, D	<p>Basic aspects were addressed and researched adequately.</p> <p>Demonstrated mainly description, showing basic understanding of the topic but no application.</p> <p>Showed little evidence of analysis but no clear and logical argument</p>

	relating to the subject. Drew primarily upon course materials. Limited aspects conformed to academic / professional standards.
F Fail	Basic aspects were superficial, inadequate or absent. Demonstrated limited understanding of the topic and drew conclusions unrelated to the topic. The written work was not of an academic / professional standard.

AT5. Final Exam (50%)

The final examination will be held in the normal exam period. It is a closed book comprehensive examination which covers all the chapters on the course syllabus. 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.

Grading Criteria

ILO	A+ A A-	B+ B B-	C+ C C-	D+ D	F
ILOs 1, 2, 3, 4, 5 and 6.	Provided accurate solutions to all problems, gave detailed and insightful responses to essay questions and scored correctly on more than 90% of the multiple choice questions	Provided accurate solutions to some problems, gave detailed responses to some essay questions and scored correctly on less than 90% of the multiple choice questions	Provided accurate solutions to a few problems, gave limited responses to some essay questions and scored correctly on less than 80% of the multiple choice questions	Provided inaccurate solutions to a few problems, gave unclear responses to most essay questions and scored correctly on less than 70% of the multiple choice questions	Skipped some problems or provided inaccurate solutions to most problems, gave poor responses to most essay questions and scored correctly on less than 60% of the multiple choice questions

VIII. ACADEMIC CONDUCT

- a) 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. A booklet entitled "Plagiarism and How to Avoid it" is also available from the Main Library.
- b) Students are required to attend all the lectures and tutorials on time. In case they cannot attend, they should inform the instructor beforehand.

IX. COURSE OUTLINE

Week	Topic	Reading
Week 1 (Sep 1 – Sep 5)	Introduction	
Week 2 (Sep 6 – Sep 12)	Accounting in business	Ch. 1
Week 3 (Sep 13 – Sep 19)	Accounting in business	Ch. 1
Week 4 (Sep 20 – Sep 26)	Analyzing and recording transactions	Ch. 2
Week 5 (Sep 27 – Oct 3)	Adjusting accounts and preparing financial statements	Ch.3
Week 6 (Oct 4 – Oct 10)	Completing the accounting cycle	Ch. 4
Week 7 (Oct 11 – Oct 17)	Accounting for merchandising operations	Ch. 5
Week 8 (Oct 18 – Oct 24) University Reading Week – No tutorials or lectures in that week		
Weeks 9 (Oct 25 – Oct31)	Inventories and cost of sales	Ch. 6
Week 10 (Nov 1 – Nov 7)	Cash and internal controls Accounting for receivables	Ch. 8 Ch. 9
Week 11 (Nov 8 – Nov 14)	Plant assets and intangibles Current liabilities	Ch. 10 Exclude topics on natural resources Exclude MACRS (P.400) Ch. 11 Exclude topics on payroll liabilities; multiperiod known liabilities; health & Pension benefits; vacation benefits; bonus plans; and multiperiod estimated liabilities

Week 12 (Nov 15– Nov 21)	Long-term liabilities Accounting for corporations	Ch. 14 Exclude topics on basics of bonds, bond issuances and bond retirement Ch. 13
Week 13 (Nov 22 – Nov 28)	Reporting the statement of cash flows	Ch. 16
Week 14 (Nov 29 – Nov 30)	Analysis of financial statements	Ch. 17

X. TUTORIALS AND ASSIGNMENTS

Tutorial	Chapter	Discussion	Assignment	Small Case Analysis
Week 1 (Sep 1 – Sep 5)		Lectures only. No tutorials in this week.	--	
Week 2 (Sep 6 – Sep 12)		Lectures only. No tutorials in this week.	--	
Week 3 (Sep 13 – Sep 19)	Ch. 1	QS 1-4 Exercise1-3		
Week 4 (Sep 20 – Sep 26)	Ch. 1	Discussion Questions: 5, 17, 22, 34 QS 5-7 Exercise4		
Week 5 (Sep 27 – Oct 3)	Ch. 2	Exercise 2-10	P2-3A P2-4A	BTN 2-4
Week 6 (Oct 4 – Oct 10)	Ch. 3	QS3-10 Exercise 3-8	P3-2A P3-4A	BTN 3-3*
Week 7 (Oct 11 – Oct 17)	Ch. 4	QS 4-3 QS 4-4	P4-4B	
Week 8(Oct 18 – Oct 24) University Reading Week – No tutorials or lectures in that week				
Week 9 (Oct 25 – Oct 31)	Ch. 5	QS 5-4 QS 5-6	P5-2A P5-3A	BTN 5-4
Week 10 (Nov1 – Nov 7)	Ch. 6	QS 6-6 QS 6-7 Exercise 6-8	P6-2A P6-3A P6-4A	
Week 11 (Nov 8 – Nov 14)	Ch. 8 & 9	QS 8-3 QS 9-6	P8-5A P9-3A P9-4A	

Week 12 (Nov 15 – Nov 21)	Ch. 10	QS 10-2 Exercise 10-1	P10-1A P10-6A	BTN 11-3*
	Ch. 11	QS 11-4	P11-2A	
Week 13 (Nov 22 – Nov 28)	Ch. 14	Exercise 13-2 Exercise 13-12	P14-8A	
	Ch. 13		P13-1A P13-2A	
Week 14 (Nov 29 – Nov 30)	Chs. 16 & 17	Exercise 16-3 Exercise 16-9	P16-3A	
		Exercise 17-8 Exercise 17-11	P17-4A	

* Denotes assignments that consider ethical issues within accounting

* IX.(COURSE OUTLINE) and X.(TUTORIALS AND ASSIGNMENTS) are subject to changes.

Group Project: Annual Report/Financial Statement Analysis

The main objective of this project is to identify a public company and perform analysis on its financial performance such that investment and lending decisions can be formulated. Students could use tools of analysis introduced in the textbook (especially Chapter 17).

Step 1: Form Your Group

Form your own group with 4 or 5 in each group, preferably 5. Please find team members within the same tutorial class. Let your demonstrator know about the composition of your group members.

Step 2: Identify a Company

Obtain a copy of annual report from a public company. You can choose a local company or a US company. Annual reports of local companies can be obtained from www.irasia.com. Annual reports of US companies can be obtained from <http://edgarscan.pwcglobal.com/servlets/edgarscan>. Alternatively, you can obtain a copy of annual report from the company's website. You may also request a copy of annual report from the company.

Step 3: Submit a Written Report

Your group is expected to conduct an analysis of the financial statements of the company you identified. A written report should be submitted before Dec 7, 2010. As a guide, your report should contain the following major components:

Part I: Executive Summary (1 page maximum)

- i. Executive summary should include (1) a brief introduction of the company, (2) highlights of the financial strengths and weaknesses of the company as revealed by your entire analysis and (3) your general recommendations.

Part II: Body of Report (6 pages maximum, double-spacing, 12 pt font)

- ii. Evaluate the company's profitability

Calculate the following ratios for the most recent FIVE-YEAR period

- *Percentage change in net sales (relative to prior year)*
- *Percentage change in net income*
- *Gross profit rate*
- *Net income as a percentage of net sales*
- *Return on assets*
- *Return on equity*

Write a statement that describes your conclusion(s) concerning trends in the company's profitability. A comparison to its competitor(s) in the same industry will help you to evaluate your company. Discuss plausible reasons contributing to those changes. Also comment on the company's market performance.

- iii. Evaluate the company's liquidity position

Calculate the following ratios for the most recent FIVE-YEAR period

- *Current ratio*
- *Quick ratio*
- *Amount of working capital*
- *Percentage of change in working capital from prior year*
- *Percentage change in cash and cash equivalents from prior year*
Comment on the company's liquidity position.

- iv. Evaluate the company's management of cash and of accounts receivables.

Part III: Appendices

- v. Definitions of ratios, formulas and ratio calculations should be attached to your report as appendices).

Your report should be professionally presented as both presentation and content will play a part in the determination of final marks awarded. The final grade of the report will be applied to all members of the group. **All University and Faculty regulations and disciplinary actions against plagiarism apply.**