



**The University of Hong Kong**  
**Faculty of Business and Economics**  
**School of Business**  
**Course Syllabus and Outline**  
**BUSI 1002D, E Introduction to Accounting**  
**Semester I, 2010/11**

## **I. COURSE INFORMATION**

**Course Name:** Introduction to accounting

**Prerequisite:** Nil

**Textbook:** John J. Wild, Ken W. Shaw, and Barbara Chiappetta, Principles of Financial Accounting, 19<sup>th</sup> edition, The McGraw-Hill Companies, Inc.

**Textbook Supporting Website:** [www.mhhe.com/wildFAP19e](http://www.mhhe.com/wildFAP19e)

**Handouts:** Available from WebCT

**Instructor: Dr. Lilian Chan**

Email: [lchan@business.hku.hk](mailto:lchan@business.hku.hk)

Office: Room 407A, Meng Wah Complex

Tel: 2219 4217

Office Hours: Wednesday 2:00 pm – 4:00 pm or by appointment

**Tutors:**

**Sunny Hong**

Email: [sunnyhsk@hku.hk](mailto:sunnyhsk@hku.hk)

Office: Room 601B, Meng Wah Complex

Tel: 2241 5165

**Patrick Yung**

Email: [patrickyung@business.hku.hk](mailto:patrickyung@business.hku.hk)

Office: Room 601B, Meng Wah Complex

Tel: 2219 4468

## **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 mid-term test                          | 25%        |
| Group project                                      | 10%        |
| <u>Final test</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<br><b>1, 2,</b> | Extremely<br>well prepared | Partially<br>prepared for | Not well<br>prepared for | Not well<br>prepared for | Never<br>prepared for |

|                    |  |  |  |  |   |
|--------------------|--|--|--|--|---|
| <b>3, 4 and 5.</b> | for class discussion, active in sharing views and attended at least 90% of classes | class discussion, quite active in sharing views and attended at least 80% of classes | class discussion, limited active in sharing views and attended at least 70% of classes | class discussion, no sharing of views and attended at least 60% of classes | class discussion and no sharing of views and experience and attended less than 50% of classes |
|--------------------|--|--|--|--|---|

*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     | <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 and or coherence and organization.</p>                            |
| F<br>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 Mid-term Test (25%)

Two quizzes will be held in class and **one mid-term test will be on November 1**. 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. The higher quiz score will be used to determine your grades.

### Grading Criteria

| ILO                             | A+ A A-   | B+ B B-  | C+ C C-  | D+ D   | F   |
|---------------------------------|---|--|--|--|---|
| ILOs<br><b>1, 2,<br/>and 3.</b> | 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 |

#### 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     | <b>Depth and breadth of Coverage, critical elements, structure, language and conventions</b>  |
|-----------|---|
| 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 relating to the subject.</p>  |

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

*AT5. Final Test (50%)*

The final test will be held on **December 6**. It is a closed book comprehensive test which covers all the chapters on the course syllabus. With the exception of extremely special cases, **NO MAKEUP** test will be allowed if students fail to seek **ADVANCE** permission from the instructor. The objective of the final test 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<br><b>1, 2,<br/>3, 4, 5<br/>and 6.</b> | 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 AND COURSE POLICY**

Professionalism is part of accounting and is key to your career success. Your professional training begins at university. You are selected for this opportunity and you should make best out of it.

Classrooms are for learning. Lecturers and students must work together to make our classroom a better place to learn. You can help all of us by following a few simple rules. These rules are mostly just common sense and common courtesy. By following them, you show respect to your fellow students as well as to your lecturers.

**ARRIVE AT CLASS ON TIME.** When you come in late, you disrupt your class. As a general rule, if you are more than 10 minutes late, you should either attend another subclass of the same lecturer or enter the class very quietly.

**ATTEND ALL CLASSES.** You are expected to attend all classes, including tutorials.

**STAY IN CLASS UNTIL IT IS FINISHED.** If you know you have to leave early, ask the lecturer's permission before the class starts, unless it is an emergency.

**DO NOT DISRUPT THE CLASS** or distract your classmates - such as talking while the lecturer is speaking. *If you have a pager or cellular phone, turn it off when you are in class.*

If you have difficulty in understanding what the lecturer is saying, you might be tempted to consult your classmate beside you. Please do *not* do it. It will disrupt the class. Instead, raise your hand and just say 'Could you explain that again?' Or please consult your classmates or the lecturer after the class. You could also consult the lecturer during office hours. I strongly encourage you to discuss with me any problem that you may have with this course *as soon as it arises*. Please do not allow problems to accumulate because it will be more difficult to solve them later. In financial accounting course, each chapter builds on the previous chapter/s. If you have problems in the earlier part/s, you will not be able to understand the later part/s. Moreover, the level of difficulty increases as the course progresses. Hence, it is very important to be serious with your studies right from the beginning.

**PARTICIPATE IN THE CLASS.** Asking questions to the lecturer is always encouraged. It is an important part of learning process. The lecturer will remember you favorably if you participate in the class actively.

**MAINTAIN YOUR INTEGRITY.** Assignment and tests are an integral part of the learning experience. Students who cheat disrupt this process. Please do not give in to the temptation to cheat. 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.

You are investing several years of your life in your university education. Learning to accept responsibility is an important part of that education. The classroom is a good place to begin showing that you are ready for the responsibilities of being a mature person.

Accounting is a dynamic subject which is evolving rapidly in recent times. It is very important that you learn accounting by getting a good understanding of its basic concepts, principles and underlying logic as well as by actually doing problems. *Do not learn accounting mechanically. Learn accounting by doing it.*

## IX. COURSE OUTLINE

| Week  | Topic  | Reading  |
|---|--|--|
| Week 1<br>(Sep 1 – Sep 7)   | Accounting in business   | Ch. 1<br>Exclude revenue recognition principle and matching principle  |
| Week 2<br>(Sep 8 – Sep 14)  | Analyzing and recording transactions                                   | Ch. 2  |
| Week 3<br>(Sep 15 – Sep 21)   | Adjusting accounts and preparing financial statements                  | Ch.1 Revenue recognition principle and matching principle<br>Ch. 3   |
| Week 4<br>(Sep 22 – Sep 28)   | Completing the accounting cycle  | Ch. 4  |
| Week 5<br>(Sep 29 – Oct 5)  | Accounting for merchandising operations                                | Ch. 5  |
| Week 6<br>(Oct 6 – Oct 12)  | Cash and internal controls<br>Accounting for receivables               | Ch. 8<br>Ch. 9   |
| Week 7<br>(Oct 13 – Oct 27)   | Inventories and cost of sales  | Ch. 6  |
| <b>Week 8 (Oct 18 – Oct 23) University Reading Week – No tutorials or lectures in that week</b> |  |  |
| Weeks 9<br>(Oct 27 – Nov 2)   | Plant assets and intangibles   | Ch. 10<br>Exclude topics on natural resources and MACRS  |
| <b>Nov 1</b>  | <b>Mid-term Test<br/>6:30pm to 7:45pm<br/>Venue: Pending</b>           | <b>Ch. 1 to Ch. 5 and<br/>Chs. 8 &amp; 9</b>   |
| Week 10<br>(Nov 3 – Nov 9)  | Current liabilities<br><br>Long-term liabilities & Time value of money | Ch. 11<br>Exclude topics on payroll liabilities; multiperiod known liabilities; health & Pension benefits; vacation benefits; bonus plans; and multiperiod estimated liabilities<br><br>Ch. 14 (Long-term notes payable only)<br>Exclude topics on basics of bonds, bond issuances and bond retirement<br><br>Appendix B |
| Week 11<br>(Nov 10 – Nov 16)  | Accounting for corporations  | Ch. 13<br>Exclude topics on stock dividends, convertible preferred stock, callable preferred stock and reporting stock options   |
| Week 12<br>(Nov 17 – Nov 23)  | Reporting the statement of cash flows                                  | Ch. 16   |
| Week 13<br>(Nov 23 – Nov 30)  | Analysis of financial statements                                       | Ch. 17   |
| <b>Dec 6</b>  | <b>Final Test<br/>10:00am to 12:00pm<br/>Venue: Pending</b>            | <b>Comprehensive</b>   |

## X. TUTORIALS AND ASSIGNMENTS

| Tutorial   | Chapter              | Discussion  | Assignment   | Small Case Analysis |
|--|----------------------|---|--|---------------------|
| Week 1<br>(Sept 1 – Sept 7)  |                      | Lectures only.<br><br>No tutorials in that week.                                | --   |                     |
| Week 2<br>(Sept 8 – Sept 14)   | Ch. 1                | Discussion Questions:<br>5, 17, 22, 34<br>QS 1-7<br>Exercise 1-4 (except 5 & 8) | --   |                     |
| Week 3<br>(Sept 15 – Sept 21)  | Ch. 2                | Exercise 2-10   | P2-3A (Required 1 only)<br>P2-4A   | BTN 2-4             |
| Week 4<br>(Sept 22 – Sept 28)  | Ch. 3                | QS3-10<br>Exercise 3-2 (b to f only)  | P3-2A (except d)<br>P3-4A (except c & d) (Required 2 adjusting entries only) |                     |
| Week 5<br>(Sept 29 – Oct 5)  | Ch. 4                | QS 4-3<br>QS 4-4  | P4-4A  | BTN 4-3*            |
| Week 6<br>(Oct 6 – Oct 12)   | Ch. 5                | QS 5-4<br>QS 5-6  | Exercise 5-6<br>P5-2A  | BTN 5-4             |
| Week 7<br>(Oct 13 – Oct 27)  | Ch. 8<br><br>Ch. 9   | QS 8-3<br><br>QS 9-6  | <br><br>P9-3A<br>P9-4A   |                     |
| <b>Week 8 (Oct 18 – Oct 23)      University Reading Week – No tutorials or lectures in that week</b> |                      |   |  |                     |
| Week 9<br>(Oct 27 – Nov 2)   | Ch. 6                | QS 6-6<br>QS 6-7<br>Exercise 6-8  | P6-2A (FIFO and LIFO only for required 3 & 4)<br>P6-3A<br>P6-4A              |                     |
| Week 10<br>(Nov 3 – Nov 9)   | Ch. 10               | QS 10-2<br>Exercise 10-1  | P10-1A<br>P10-6A   | BTN 3-3*            |
| Week 11<br>(Nov 10 – Nov 16)   | Ch. 11<br><br>Ch. 14 | QS 11-4<br><br>Exercise B-7   | P11-2A<br><br>P14-8A   | BTN 11-3*           |
| Week 12<br>(Nov 17 – Nov 23)   | Ch. 13               | Exercise 13-2<br>Exercise 13-12   | P13-1A<br>P13-2A   |                     |
| Week 13<br>(Nov 24 – Nov 30)   | Ch. 16<br><br>Ch. 17 | Exercise 16-3<br>Exercise 16-9<br><br>Exercise 17-8<br>Exercise 17-11           | P16-1A<br><br><br>P17-4A   |                     |

\* Denotes assignments that consider ethical issues within accounting