Western Continuing Studies

Fundamentals of Accounting
BSMG6201

Course Outline

Description:
Make more informed management decisions by having a working understanding of how financial accounting data can be used to analyze a business. This course provides a basic understanding of financial statements, accounting theory and the structure of accounting systems. Through analysis, this course will give you the ability to understand and interpret financial statements in order to improve management decision-making.

Course Goals:
The overarching goal of the fundamentals of accounting course is to provide the student with a broad exposure to financial and managerial accounting principles and practices that can be used to analyze businesses and to make more informed financial decisions.

Financial Accounting
This section of the course provides a basic overview of financial accounting. Financial accounting is referred to as “the language of business” and as with any language, those who use it must understand the rules and components. We will concentrate on some of the basic financial accounting rules and principles used to prepare financial statements.

Management Accounting
This section considers analytical tools which practicing managers may utilize to help make operational decisions when financial information is a relevant consideration. You will be exposed to various costing methods, the use of cost data for making management decisions, and a short-term decision-making model (framework).

Cash Management
Two cash-based statements will be discussed in this section. The Statement of Cash Flows is a financial accounting tool that highlights the sources and uses of a business’ cash. It is used to assist management in determining how well the business uses its cash resources. The Cash Budget is a managerial tool that is used to highlight management predictions of cash inflows and outflows. It is used to assist in the determination of cash requirements for the upcoming year. Internal controls to protect cash and other assets will be discussed.

Course Objectives: At the completion of this course, the student will be able to:

1. Identify the users and uses of accounting, describe the primary forms of business organization and explain the three main types of business activity.
2. Identify the sections of classified financial statements; calculate ratios for analyzing a company’s liquidity, solvency, and profitability. As well as describe the framework for the preparation and presentation of financial statements.
3. Record and analyze the effects of business transactions by applying generally accepted accounting principles and practices.
4. Prepare a trail balance.
5. Explain when revenues and expenses are recognized and how this forms the basis of accrual

accounting.
6. Record adjusting entries and prepare financial statements.
7. Perform all necessary steps to complete the accounting cycle.
8. Account for transactions within a merchandising operation using perpetual and/or a periodic inventory system.
9. Calculate the gross profit margin and profit margin.
10. Describe the steps in determining inventory quantities; apply various methods of cost determination and explain the effects of inventory errors as well as demonstrate the presentation and analysis of inventory.
11. Explain the activities that help achieve internal control and prevent fraud. Apply control activities to cash receipts and payments as well as prepare a bank reconciliation.
12. Explain how accounts receivable and notes receivable are recognized, valued, and presented. Apply the principles of sound accounts receivable management.
13. Determine the cost of capital assets, calculate depreciation and account for disposal of capital assets as well as illustrate how long-lived assets are reported in the financial statements.
14. Account for current liabilities, notes payable, and bonds payable as well as identify the requirements for the financial statement presentation and analysis of liabilities.
15. Record common share and preferred share transactions as well as prepare the entries for cash dividends, stock dividends, and stock splits, and understand their financial impact. Indicate how shareholders' equity is presented and evaluate dividend and earnings performance.
16. Complete the statement of cash flows and evaluate a company's liquidity and solvency using the cash flow statement.
17. Explain the distinguishing features of managerial accounting and the importance of business ethics, as well as identify the three board functions of management.
18. Define the three classes of manufacturing costs and differentiate between product costs and period costs as well as explain how costs are affected by changes in the level of business activity.
19. Compute costs in a job-order cost accounting system and distinguish between under- and overapplied overhead as well as discuss methods of adjusting overheads.
20. Explain the flow and assignment of manufacturing costs in a process cost system. Calculate equivalent units using the weighted-average method and using the FIFO method when preparing a production cost report.
21. Identify and apply the steps in the development of an activity-based costing system, understand the benefits and limitations of an activity-based costing system, and differentiate between value-added and non-value-added activities.
22. Understand and apply basic cost-volume-profit concepts, explain the term sales mix and its effect on the break-even sales, and understand how cost structure and operating leverage affect profitability.
23. Identify relevant costs and use incremental analysis in making various business decisions.
24. Calculate a target cost using various cost methods, and determine a transfer price using negotiated, cost-based, and market-based approaches. Explain issues involved in transferring goods between divisions in different countries and different tax rates.

Texts:
Textbooks are bundled together with an online Access code from Wiley Publishing ISBN 9781394159871. Please note that both texts AND the online access code are required for this course.

Kimmel, Weygandt, Kieso, Trenholm, Irvine, Burnley *Financial Accounting*, 8th Canadian Edition, John Wiley & Sons Canada, Ltd., 2019

Weygandt, Kimmel, Aly, *Managerial Accounting*, 6th Canadian Edition, John Wiley & Sons Canada, Ltd., 2020

A WileyPLUS registration code will be included with EACH of the textbooks in the bundle. BOTH codes must be registered in WileyPLUS.

Evaluation:

Homework assignments (8/11)	30%
Mid Term Exam	35%
Final Exam	35%
Total	100%

Notes on assignments (papers and reports):

- Must be academic in style and content
- Must have a clear focus
- Must present ideas in a logical and well-thought-out flow
- Arguments, analysis and conclusions must be based on clearly identified research and sources
- Must cite all references from other sources
- Must be in paragraph format
- Must be double-spaced, and typewritten
- Must follow APA style

Grading:

A+	90-100	One could scarcely expect better from a student at this level
A	80-89	Superior work which is clearly above average
B	70-79	Good work, meeting all requirements, and eminently satisfactory
C	60-69	Competent work, meeting requirements
D	50-59	Fair work, minimally acceptable
F	below 50	Fail

Online Participation Grading Chart:
The following chart will act as a guide for assessing student participation in this course.

Grade	Criteria
9-10	The student participates frequently, providing relevant responses more than 35 times spread evenly over the length of the course. Replies to discussion questions, instructor comments as well as the responses of other students in a positive and critical manner. The student responds in a timely manner (allowing enough time for fellow students to respond, and not posting on the last day of the unit). Responses are of a high quality; an obvious effort has been made to research the answer. Responses offer new perspectives on course material and spark discussion amongst the class.
7-8	The student participates consistently, providing relevant responses 30-35 times over the length of the course. The student responds in a timely manner (allowing enough time for fellow students to respond, and not posting on the last day of the unit). The student offers new ideas and responds to the contributions of others.
6	The student provides some relevant contributions, 15-20 times over the length of the

	course. The student responds before the end of the unit. The student occasionally offers new ideas and responds to others.
5	The student's contributions are inconsistent in both quality and timing, 10-15 times over the length of the course. The student's responses are not always on time. The student does not offer any new ideas, and responses to fellow students are few.
4	The student rarely provides contributions to the course, 5-10 times. The student does not always respond on time. The student has difficulty understanding the course content, and does not respond to the contributions of the other students.
0-3	The student provides little or no discussion, less than 5 times. Information is contributed only when asked to by the instructor, and responses are negative or disagreeable to the instructor/fellow students. Responses show little in the way of comprehension of course material. The responses are usually limited to "I agree", "Me too" or the like.

Policy on Cheating and Academic Misconduct:
Academic honesty is a cornerstone of conduct at Western University. We cannot have freedom of expression without integrity. Students are responsible for understanding the nature of and avoiding the occurrence of plagiarism and other academic offences; please refer to the section on "Scholastic Offences" in the current University Academic Calendar, or on the web at http://www.westerncalendar.uwo.ca. Such offences include plagiarism, cheating on an examination, submitting false or fraudulent assignments or credentials, impersonating a candidate, or submitting for credit in any course any academic work for which credit has previously been obtained or is being sought in another course in this University or elsewhere (without the knowledge and approval of the instructor to whom the work is submitted). Students enrolled in non-degree courses are expected to abide by the University's code of conduct.

Code of Student Conduct:
The purpose of the Code of Student Conduct is to define the general standard of conduct expected of students registered at Western University, provide examples of behaviour that constitutes a breach of this standard of conduct, provide examples of sanctions that may be imposed, and set out the disciplinary procedures that the University will follow. For the complete Code of Student Conduct: http://www.uwo.ca/univsec/pdf/board/code.pdf.

Plagiarism:
All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for the detection of plagiarism. All papers submitted will

be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between Western University and Turnitin.com (http://www.turnitin.com).

How often will the instructor communicate with me?
The instructor will aim to respond to students within 24-48 hours.

Policy on Late Assignments:
No late assignments will be accepted. Extensions will be considered if the professor is approached at least two days prior to the due date. Moreover, only extenuating circumstances will be considered.

Any assignment handed in late that has been approved will be subject to a penalty of two percent (2%) per day including weekends, up to a maximum of 7 days, after which assignments will not be accepted and a grade of zero will be assigned unless documentation for accommodation has been provided in advance. The reason for this seemingly harsh system is:

1. it ensures that people who hand their assignments in on time are not penalized, and
2. it makes it far more likely that you will submit your assignments on time.

How do I hand in assignments?
All assignments will be submitted electronically through OWL using the assignment tool. Failure to meet deadlines without the instructor's written permission will be subject to the late assignment policy. It is the student's responsibility to ensure that all assignments forwarded to the instructor arrive before the due date. If you experience difficulty in submitting assignments through OWL, you are responsible for contacting the instructor.

When will I receive my grades?
Final grades will be available 2 weeks after the last scheduled day of the course. A grade report can be printed from myWCS.

Western Digital Badge
If you have met the course requirements for this Western approved micro-credential, you will receive an email from MyCreds to claim your digital badge. Badges are embedded with data that verifies your skills and achievements. Share them with your employer, on LinkedIn and other social media sites.

Course Schedule:*
FA = Financial Accounting textbook
MA = Managerial Accounting textbook

Week	Topic
1	Course Overview Read: FA Chapter 1: The Purpose and Use of Financial Statements FA Chapter 2: A Further Look at Financial Statements
2	Read: FA Appendix A (Back of book) FA Chapter 3: The Accounting Information System FA Chapter 4: Accrual Accounting Concepts

3	Read: FA Chapter 5: Merchandising Operations FA Chapter 6: Reporting and Analyzing Inventory
4	Read: FA Chapter 8: Reporting and Analyzing Receivables FA Chapter 9: Reporting and Analyzing Long-live Assets
5	Read: FA Chapter 10: Reporting and Analyzing Liabilities FA Chapter 11: Reporting and Analyzing Shareholders' Equity
6	**MIDTERM EXAM**
7	Read: FA Chapter 7: Internal Controls and Cash FA Chapter 13: Statement of Cash Flows
8	Read: MA Chapter 1: Managerial Accounting MA Chapter 2: Managerial Cost Concepts and Cost Behaviour Analysis
9	Read: MA Chapter 3: Job-Order Cost Accounting MA Chapter 4: Process Cost Accounting
10	Read: MA Chapter 5: Activity Based Costing MA Chapter 6: Decision-making: Cost-Volume-Profit
11	Read: MA Chapter 7: Incremental Analysis MA Chapter 9: Pricing
12	Read: MA Chapter 10: Budgetary Planning MA Chapter 11: Budgetary Control and Responsibility Planning
13	**FINAL EXAM**

Course Homework Schedule:*

FA = Financial Accounting textbook
MA = Managerial Accounting textbook

Week	Readings	Homework Problems
1	FA Chapter 1: The Purpose and Use of Financial Statements FA Chapter 2: A Further Look at Financial Statements	FA Chapter 1: BE1.2, E1.4 FA Chapter 2: P2.7B, E2.9
2	FA Appendix A (Back of book) FA Chapter 3: The Accounting Information System FA Chapter 4: Accrual Accounting Concepts	FA Chapter 3: E3.5, E3.10b&c FA Chapter 4: BE4.3, BE4.5, BE4.8
3	FA Chapter 5: Merchandising Operations FA Chapter 6: Reporting and Analyzing Inventory	FA Chapter 5: E5.4, E5.5, E5.10 FA Chapter 6: E6.14

4	FA Chapter 8: Reporting and Analyzing Receivables FA Chapter 9: Reporting and Analyzing Long-live Assets	FA Chapter 8: BE8.3, E8.5 FA Chapter 9: E9.3, E9.14
5	FA Chapter 10: Reporting and Analyzing Liabilities FA Chapter 11: Reporting and Analyzing Shareholders' Equity	FA Chapter 10: BE10.6, BE10.13 FA Chapter 11: BE11.2
6	**Midterm Exam**	n/a
7	FA Chapter 7: Internal Controls and Cash FA Chapter 13: Statement of Cash Flows	FA Chapter 7: BE7.2, BE7.3, E7.8 FA Chapter 13: BE13.5
8	MA Chapter 1: Managerial Accounting MA Chapter 2: Managerial Cost Concepts and Cost Behaviour Analysis	MA Chapter 1: E1.5 MA Chapter 2: BE2.2,: BE2.7
9	MA Chapter 3: Job-Order Cost Accounting MA Chapter 4: Process Cost Accounting	MA Chapter 3: BE3.7 MA Chapter 4: BE4.6, BE4.11
10	MA Chapter 5: Activity Based Costing MA Chapter 6: Decision-making: Cost-Volume-Profit	MA Chapter 5: BE5.12 MA Chapter 6: BE6.2, E6.33
11	MA Chapter 7: Incremental Analysis MA Chapter 9: Pricing	MA Chapter 7: BE7.9 MA Chapter 9: BE9.11, E9.29
12	MA Chapter 10: Budgetary Planning MA Chapter 11: Budgetary Control and Responsibility Planning	MA Chapter 10: E10.30 MA Chapter 11: BE11.4, BE11.11
13	**Final Exam**	n/a