



Escola Superior de Comércio Internacional



FINANCIAL ACCOUNTING I

FIRST TERM. ACADEMIC YEAR 2010-2011

TIMETABLE:

Monday, 10:00-11:30

Wednesday, 10:00-11:30

Friday, 10:00-11:30

Course Objectives

A business or an organization needs a tool to communicate its results and position to stakeholders, a tool that is commonly understood by all. For that purpose, accounting serves as the 'language of business'. Stakeholders, in return, use this information make sound decisions. Bearing these in mind, this course aims to convey sufficient knowledge for an adequate interpretation, analysis and use the information provided by financial accounting.

Following an investigation of the accounting information system and accounting cycle, the course will deepen knowledge on all the components of the balance sheet, using a double entry bookkeeping perspective, and of the other financial statements. By the end of the course, students are expected be able to analyze a company's financial statements and come to a reasoned conclusion about the financial situation of the company.

Materials

Required

- A calculator that performs basic business functions

Recommended text

- Kieso, Weygandt and Warfield, *Intermediate Accounting*, John Wiley & Sons
- Anthony, Reece & Hertenstein, *Accounting: Text and Cases*, Irwin
- Hervé Stolowy and Michel J. Lebas, *Financial Accounting and Reporting*, Thomson
- Horngren, Charles T. *Introduction to Financial Accounting*, Prentice-Hall International
- Sutton, *Corporate Financial Accounting and Reporting*, Prentice Hall
- Urías, *Introducción a la contabilidad: Teoría y supuestos*, Pirámide (if you prefer something in Spanish)

Useful web site

- <http://www.iasb.org>

Course Delivery

The classes will be delivered through presentations. Additionally, a selection of the exercises will be solved in class. The purpose of the chosen exercises is not to cover all the topics covered in class, but to illustrate how various financial accounting concepts affect the decisions on real-world problems.

Homework

For each class session, you should familiarize yourself with the topics covered in the relevant chapters of the suggested textbooks.

Additionally, when necessary, you will be asked to solve relevant exercises at home or in class. I strongly encourage you to put utmost effort into solving those exercises regularly, as it would otherwise be harder to follow the course.

There will be some readings for some of the topics. You are expected to be prepared to discuss the exercises and readings, and to participate actively in the analysis.

Course Outline

- 1: Financial Accounting and Accounting Standards**
- 2: Conceptual Framework Underlying Financial Accounting**
- 3: The Accounting Information System**
- 4: Income Statement and Related Information**

- 5: Balance Sheet and Statement of Cash Flows**
- 6: Accounting and the Time Value of Money**
- 7: Cash and Receivables**
- 8: Valuation of Inventories: A Cost-Basis Approach**
- 9: Inventories: Additional Valuation Issues**
- 10: Acquisition and Disposition of Property, Plant, and Equipment**
- 11: Depreciation, Impairments, and Depletion**
- 12: Intangible Assets**
- 13: Current Liabilities and Contingencies**
- 14: Long-Term Liabilities**
- 15: Stockholders' Equity**
- 16: Dilutive Securities and Earnings Per Share**
- 17: Investments**
- 18: Revenue Recognition**
- 19: Accounting for Income Taxes**
- 20: Accounting for Leases**
- 21: Accounting Changes and Error Analysis**
- 22: Statement of Cash Flows**
- 23: Full Disclosure in Financial Reporting**

FINANCIAL ACCOUNTING I

FIRST TERM. ACADEMIC COURSE 2010-2011

GRADING POLICY: The course is graded from 0 to 10 points. Passing the course necessitates a *minimum grade of 4.0 point obtained in the final exam AND an average grade of 5.0 points in total.*

Evaluation at the ordinary term

At the ordinary term, the final grade for the course will be determined on the following basis:

Class Participation, drills, exercises	10%
Midterm exam	25%
Final exam	65%

Evaluation in September

For students retaking the exam in September, the grading basis will be as follows:

Class Participation, drills, exercises	5%
Midterm exam	15%
September exam	80%

Specifications on the Homework

1. If two (or more) students turn in same / very similar exercises or drills, both assignments will be graded as zero points.
2. If a student does not hand in any of the exercises throughout the course, he / she will receive zero points from the whole category of class participation, drills and exercises in the ordinary period (10%), and zero points from the whole category of participation, quizzes and assignments in the September exam (10%).