School of Accountancy
ACCT101 – Financial Accounting (Term 1, 2003-4)

Instructor
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Office hours  15:00-17:00, Wed, or by appointment, or drop by

Sections
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<th>Section</th>
<th>Time</th>
<th>Tutor</th>
<th>Consultation hour</th>
<th>Venue</th>
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<tr>
<td>G1 (A2S1)</td>
<td>10:15-13:15 Tue</td>
<td>Tan Say Eng</td>
<td>15:00-17:00, Monday</td>
<td>B2C4</td>
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<tr>
<td>G7 (B5S14)</td>
<td>10:15-13:15 Wed</td>
<td>Teo Yee Hian</td>
<td>15:00-17:00, Monday</td>
<td>B2C4</td>
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<td>G2 (A6S4)</td>
<td>10:15-13:15 Fri</td>
<td>Teo Yee Hian</td>
<td>15:00-17:00, Monday</td>
<td>B2C4</td>
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Course Objectives
This course provides the student with a basic understanding of accounting as "the language of business". It introduces students to the basic concepts, principles, procedures and approaches underlying the accounting process. This basic understanding facilitates the interpretation of financial information, which is necessary for making business decisions.

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

- Describe the purpose of accounting and explain its role in business and society; identify the primary users of accounting information, and describe the environment of accounting;
- Explain the fundamental concepts and assumptions underlying financial accounting; understand the basic elements and formats of the three primary financial statements, and the need for notes to the accounts, and how to read and interpret these statements;
- Understand the process of transforming transaction data into useful accounting information, analyze and record transactions and determine how they affect the accounting equation;
- Understand the process of accrual accounting, the need for adjusting entries, and the preparation of financial statements, together with explanatory notes, and how the various steps in the accounting cycle fit together;
- Understand the three basic types of business activities - operating, investing and financing, how each of these activities are recorded, and the matching of revenues and expenses;
- Account for inventory and calculate cost of goods sold;
- Account for long-term assets and liabilities, and present them correctly in financial statements;
• Distinguish between debt and equity financing, and account for the issuance and repurchase of equity capital, and the accounting for, and use, of retained earnings;
• Prepare the three financial statements: Profit and Loss Statement; Balance Sheet and Cash Flow Statement.

Course objectives relating to accounting content: I, the instructor, will emphasize conceptual issues in the lectures. You, the students, are expected to focus on the concepts underlying accounting techniques and to avoid simple memorizing or rote-learning. It is a joint task of both the students and the instructor. I will put some supplemented “Food for Thought” reading materials on the web, which includes several articles on conceptual issues, on conceptual framework, on ethical issues, on current controversies, on Singapore GAAP, etc. and these readings are tailored to meet many of our course objectives. Exams, questions, assignments, grading policy, etc. are geared towards this end. Assignments (both individual and group) and homework are intended to ensure that students acquire the technical skills. However, students also have to take the responsibility to refrain from copying, plagiarizing, simply memorizing, etc. If you study this course “mechanically”, without understanding the underlying principles and concepts, you will find you waste a lot of time on this course.

Course objectives relating to “soft skills”: These objectives are secondary to the ones relating to “accounting content” and hence, this course attempts to merely lay the foundation and expects the students to develop these “soft skills” during the rest of their educational career. This course would give opportunities to the students to work in groups (both formal groups assigned by the instructor as well as informal groups formed by students themselves), to make a presentation in the class, to do a “writing project”, and in general, this course would encourage students to work in groups. However, this is an accounting course (and not a course on communications or on team-building) and hence, our aim is to lay the foundation only. It is the responsibility of the students to develop their soft skills during their educational career in SMU (and even outside of it).

Required Textbook and casebook

The textbook and casebook have been bound together with lower price. Other related reading materials will be available either on SMUConnect or by handout.

Assessment and Evaluation
To pass the course, a student is required to obtain a TOTAL mark of 50% or better. The assessment components are listed below:
1. Homework (5%): some homework will be assigned in the class.
2. Mini-quiz (10%): 10 times, 10 points each, total 100 points
3. Group case work (15%): 10% of individual presentation + 5% of group case report
4. Group project (10%): a final group project report is required
5. Class participation (10%): attendance + suggestions + corrections…., I love your feedback!
6. Mid-term exam (10%): details to be announced in the class and SMUConnect.
7. Final exam (40%): covering all materials I have taught. More details to be announced in the class and SMUConnect.
(No make-up exams and quizzes will be given except for medical reasons supported by proper documentation.)

**Course Policy**

1. The general approach of this course is lecture, problem-solving, and discussion of matters relevant to the topic. Students who read the chapter ahead of attending class will benefit most from the class presentation. As an alternative, students may study the lecture notes ahead of the class.

2. **Homework:** It is essential for the students to solve all of the homework problems (one homework for each chapter, total 12 homework) to perform well in the examination. It will be advisable to study the “End-of-Chapter Summary Problem” at the end of each chapter in the textbook before doing homework. Homework will be collected at every class but they will not be graded. Full marks (5%) will be given to students who have handed in 11 or more homework; 4% for 10 homework; …; and 1% for 7 homework. Homework will be collected only to check whether you have reviewed the contents after the class. Whether you have mastered the course contents will be tested by the quizzes and exams. **The solutions for the problems will be ready on SMUConnect after the collection of the homework.** Assignment changes and announcements may be made in class or SMUConnect and it is the sole responsibility of the students to find out what has been announced during their absence from class. **In addition, the homework can be done within a group.** Feel free to form your group consisting of 3 or less members and each group is required to submit one copy of written (or typed) homework. Of course, you can do the homework by yourself.

3. **Quizzes:** Regular quizzes will be given during lectures. There will be a total of 10 quizzes, 10 points each. There will be no make-up quizzes.

4. **Group Case Work:** Students will be randomly assigned to each group and asked to solve cases (one case for each group). It is required for each group member to present part of the case in class. Your classmates, teaching assistants, and I will evaluate your presentation performance. The individual presentation will be 10% of your final performance evaluation. A written case report is also required to be submitted by each group, which will contribute 5% for every group member. To prevent free-rider problem, the scores will be adjusted based on peer evaluation within each group. Again, it is important for you to participate in the group works equally.

5. **Group Project (Capstone Project):** Each group is also required to submit the Capstone Project report at the end of this term. The detail of the project is given in the Appendix II of the casebook. Modification and changes may be made in the class or on SMUConnect. Again, the scores will be adjusted based on peer evaluation within each group to control for free-rider problem.

6. **Classroom behavior and participation:** Maintaining proper discipline and conducting yourself in a responsible manner are of utmost importance for not only this course but also for your own personal development. At the same time, students are encouraged to raise questions and to participate in the class as well as in the tutorials. A part of the course grade would be allotted to class participation/discipline.
7. **Course Schedule**: The tentative course schedule is given in the last page of this course outline and also on SMUConnect. All contents covered in the textbook will be taught and tested in the final exam except: “Short-Term Investments” pp. 223-227, and “Long-Term Investments and International Operations” (the whole Chapter 10).

8. **Singapore GAAP**: What we will learn from the textbook is U.S. Generally Accepted Accounting Principles (GAAP). Any difference between U.S. GAAP and Singapore GAAP will be pointed out in the class. Note, however, all exams and quizzes will be based on the textbook, i.e., U.S. GAAP. The detail of Singapore GAAP is available online at http://www.ccdg.gov.sg/frs/

9. **Course Homepage**: Make sure you are familiar with SMUConnect where our course homepage parks. You can ask questions or discuss relevant subjects in the discussion board. You can even complain about the course in the discussion board. I have never given any disadvantage to those who complain and I mostly try to improve this course by accepting the complaints.

10. **General**: I strongly encourage you to discuss with me any problems that you may have with this course as soon as they arise. Please do not allow problems to accumulate because it will be more difficult to solve them later. In this course, each chapter builds on the previous chapters. It is like constructing a building – the foundation first, then the ground floor, then the first floor so on. 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 we progress. It is much easier to get high marks in the mini-quizzes, mid-term exam but it is very hard to get even a decent grade in the final exam. Hence, it is very important to be serious with your studies right from the beginning.

11. **Warning**: This course will not be an easy-going course. There will be **much homework**. In addition, the peer evaluation between students is also a part of grade. **Thus, if you do not have serious intentions to learn accounting, please do not take this course from me.** Please remember. **You are expected to spend much more time to study accounting (it is a difficult subject) than other courses. In addition, it might take much more time for you to take this course from me than from other professors who teach ACCT 101.** (As I am new here, I don’t know the exact study load of other ACCT101 sections. Thus, it is just a warning!)

12. **Tips of this course**: If you study accounting with me and fulfill all of your responsibilities during the class, I will compensate your hard efforts with good grades. (For example, I may give ‘A’ grade to the maximum number of students which were allowed to me to give.) You may have trouble in understanding my English accent (Chinese style) at the beginning. However, there will be no problem in a few weeks. This is actually my second time to teach undergraduate students. I cannot guarantee that my teaching skills and quality are excellent but, at least, my first teaching evaluation from HKUST is not bad. You may view my first teaching evaluation online at [http://www.mysmu.edu/faculty/jwwang/teaching-hkust.htm](http://www.mysmu.edu/faculty/jwwang/teaching-hkust.htm).
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<th>Week</th>
<th>Topic</th>
<th>Class Problems</th>
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<td>1</td>
<td>Introduction and Conduct of the course Ch. 1 The Financial Statements</td>
<td>CP1-7, CP1-13</td>
<td>E1-3, E1-4, E1-8, E1-16, P1-2A</td>
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<td>2</td>
<td>Quiz 1 Ch. 2 Processing Accounting Information</td>
<td>CP2-4, CP2-6, CP2-12</td>
<td>E2-2, E2-3, E2-10, E2-12, P2-5A</td>
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<td>3</td>
<td>Quiz 2 Ch. 3 Accrual Accounting and the Financial Statements</td>
<td>CP3-7, CP3-14, CP3-15</td>
<td>E3-3, E3-6, E3-7, P3-4A, P3-5A</td>
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<td>4</td>
<td>Quiz 3 Ch. 4 Internal Control and Managing Cash Group 1 Case Presentation</td>
<td>CP4-1, CP4-7, ECP4-13</td>
<td>E4-3, E4-5, P4-4B P4-5B</td>
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<td>5</td>
<td>Quiz 4 Ch. 5 Receivables (skip Short-Term Investments, pp.224-227) Group 2 Case Presentation</td>
<td>CP5-6, CP5-7, CP5-10</td>
<td>E5-12, E5-14, P5-7A, P5-4B</td>
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<td>6</td>
<td>Quiz 5 Ch. 6 Merchandise Inventory, Cost of Goods Sold, and Gross Profit Group 3 Case Presentation</td>
<td>CP6-5, CP6-8, CP6-11</td>
<td>E6-3, E6-5, E6-6, E6-9, P6-2A, P6-7A, P6-8A</td>
</tr>
<tr>
<td>7</td>
<td>Ch. 7 Plant Assets, Intangibles, Related Expenses Mid-term examination review and arrangement</td>
<td>CP7-5, CP7-8, CP7-11</td>
<td>E7-1, E7-2, E7-3, E7-6, P7-2B</td>
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**Mid-Term Exam** will cover up to Chapter 7

Scheduled on Saturday 04 October 2003, from 10:00am -12:00am

Full details will be announced in the class and on the web

No class in Week 8 for recession

| 9    | Ch. 8 Current and Long-Term Liabilities Group 4 Case Presentation | CP8-6, CP8-7, CP8-8, CP8-12 | E8-8, E8-10, E8-11, P8-2A, P8-4A |
| 10   | Quiz 6 Ch. 9 Stockholders’ Equity Group 5 Case Presentation | CP9-6, CP9-8, CP9-11, CP9-15 | E9-8, E9-17, P9-8A, P9-7B |
| 11   | Quiz 7 Ch. 11 The Income Statement and the Statement of Stockholders’ Equity (skip the whole Ch. 10) Group 6 Case Presentation | CP11-2, CP11-3 | E11-2, E11-6, E11-8, E11-9, E11-12, P11-4B |
| 12   | Quiz 8 Ch. 12 The Statement of Cash Flows Group 7 Case Presentation | CP12-1, CP12-3, CP12-4, CP12-5, CP12-6, CP12-7, CP12-8, CP12-9, CP12-10 | E12-2, E12-4, E12-6, P12-5A, P12-6A |
| 13   | Quiz 9 Ch. 13 Financial Statement Analysis Group 8 Case Presentation | CP13-3, CP13-4, CP13-6 | E13-7, E13-9, E13-10, P13-1A, P13-7A |
| 14   | Quiz 10 Review of the course and prepare for the final exam Peer view of the final project report | N.A. | N.A. |

**Final Exam** is scheduled on Wednesday 26 November 2003

Full details will be announced in the class and on the web

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1. Some class problems will be discussed in class if time permits. Please read the problems before the class.
2. Homework problems should be handed in.