

American University of Central Asia
Course Information
School of Economics and Business Administration
Fall 2017

Course Title:	Financial Accounting I
Course Code:	MBA 518.1 Financial Accounting I ID 3425
Course Coordinator:	Nurlan Atabaev
Course Duration:	15 weeks
No. of Credit Units:	3
Class meeting:	
Mode:	On-campus
Contact:	atabaev_n@auca.kg ,
Appointments/Hours	by appointment

1. Abstract:

Financial accounting is a specific field within accounting that deals with the preparation of the financial statements, which are used by external stakeholders (such as stockholders, banks and public bodies) to get an idea of the financial position of a company. This process is called external reporting. It explains how accounting influences the financial performance measures that are widely used in financial markets by investors, banks, and financial analysts for making investment decisions. Financial reports created for internal use are no part of financial accounting, but are part of management accounting.

This course provides an introduction to financial accounting. It studies the financial accounting concepts and theories with an emphasis on both how transactions lead to financial statements (*preparer's orientation*) and how one can infer transactions given a set of financial statements (*user's orientation*). This course introduces students to the financial accounting environment, financial statements, the accounting cycle, and the theoretical framework of accounting measurement. It explains the composition and the purpose of balance sheet, the income statement, the statement of changes in shareholder equity, and the cash flow statement and discusses the mutual relationships between these statements. It further explains the basic accounting rules that govern the preparation of these statements. This includes (amongst others) accounting for cash, accounts receivable and inventory.

Next course, Financial Accounting II, will continue introducing students to the financial accounting environment by examining the remaining elements of the financial statements such as property, plant and equipment, intangible assets, financial assets, goodwill and liabilities to aid in decision making.

2. Course Aims:

The objective of this course is to assist you in learning how to *prepare* and *use* financial statement information related to basic economic events and transactions such as cash, accounts receivable, and inventory.

3. Learning Outcomes:

By the end of this course, the students should be able to:

- Understand the conceptual framework of accounting and basic accounting principles such as basic accounting equation, double-entry rule, revenue principle, matching principle, etc.
- Understand and interpret the main financial statements.
- Demonstrate the links between the four main financial statements.
- Measure and record basic economic transactions involving operations with cash, accounts receivable and inventory.
- Evaluate financial statement information regarding cash, accounts receivable and inventory.

4. Assessment Tasks/Activities:

Grade Component	Percent
Quizzes	20%
Individual assignment and Work Sheet	20%
Midterm exam	25%
Final exam	35%
Total	100%

- Quizzes are short intermediate tests that are intended to prepare students for midterm and final exams.
- The midterm, final exam and quizzes are all closed book exams. They will consist of open (bookkeeping techniques) and multiple-choice questions. Only pens, pencils, erasers, calculators and the Chart of Accounts are allowed to use during quiz and exam sessions.
- Students who do not have calculators are not allowed to use the calculator of a neighbor. Mobile phones are not allowed to be used during exam sessions.
- Quizzes last 15-20 minutes, midterm exam – 75 minutes, final exam – 75 minutes.
- Students who have missed test having a **valid reason** will have a greater point load on their final exam corresponding to the missed test points.

5. Course Policies:

The course instructors reserve the right to modify any and all portions of this syllabus at any time during the period of the course. Any modifications will be a priori communicated to students.

6. Submission of Assignments:

- Written assignments are to be completed in APA style Format – *Publication Manual of the American Psychological Association* (You can use the following source for the guidelines: <https://owl.english.purdue.edu/owl/resource/560/01/>)
- Assignments are to be submitted online through Google Drive or as specified by

Professor.

- Detailed guidelines of the individual assignment will be delivered during the lecture on October 31, 2017. **The deadline for Individual Assignment is November 28, 2017.**
- *Late submission:* Any work submitted at any time within the first 24 hours following the published submission deadline will receive a penalty of 10% grade deduction per day delayed.

7. Academic Integrity:

- I. *The use of cell phones (talking, texting, etc.) during class is strictly prohibited. Students violating this policy will be given one (1) warning. A second violation of this policy will result in the student being counted absent for the class.*
- II. *The use of any other electronic devices (SUCH AS LAPTOP, IPADS) during class for any purpose not related to the furtherance of the class objectives is strictly prohibited. This also implies that it is not allowed to make pictures from the slides in class. Using your tablet or laptop to make notes is allowed. Using these and other electronic devices during class without permission or for non-course related purposes, however, results in handing over the device to the teacher (without further discussion) till the end of the class. Therefore, it is important to bring your regular calculator to the tutorials.*
- III. *Students are expected to follow the AUCA ACADEMIC HONESTY code. All types of plagiarism are strictly prohibited. If a student fails to observe this requirement, the instructor may assign an "F" for the work or an "F" for the whole class, depending on the type of assignment and relevant circumstances. Students are expected to read and follow the section on the Student Academic Dishonesty of the AUCA Code of Student Rights, Responsibilities and Conduct.*
- IV. *You are encouraged to study together and to discuss information and concepts covered in lecture and the sections with other students. You can give "consulting" help to or receive "consulting" help from such students. However, this permissible cooperation should never involve one student having possession of a copy of all or part of work done by someone else, in the form of an e-mail, an e-mail attachment file, a diskette, or a hard copy.*
- V. *Class attendance and active participation is obligatory to pass this course. Student can miss only 2 classes if s/he has a valid reason (illness, special circumstances – notified in advance). In case of any further missing (more than 2 classes), student will face a 3-point decrease for each class of absence. Students not paying close attention during classes (talking on irrelevant themes, being more than 15 minutes late, preparing for other classes) will be considered as being absent. **Students with 100% attendance will have a 3 bonus-point added to their final grade***

8. Grading Criteria:

A 100-93%	B- 82-80%	D+ 69-67%
A- 92-90%	C+ 79-77%	D 66-61%
B+ 89-87%	C 76-73%	D- 62-60%
B 86-83%	C- 72-70%	Failing Grade: below 60%

9. Explanation of Grades Obtained:

A	Student demonstrates exceptional understanding and able to critique existing literature and shows good abilities to derive policy implications; Performs well in every aspect of class participation and submits final paper of Journal quality.
B	Ability to think conceptually and to perform in class participations, and in final paper. Student is able to form plausible arguments and provides reasonable conclusions.
C	Marginal ability to analyze material presented in lectures and readings. While the student has attended class and involved in discussions, performance is merely class average.
D	Limited ability to analyze material presented in lectures and readings. While the student has attended class and involved in discussions, performance has been below class average.
F	Poor learning or lack of effort, the student has failed to demonstrate even a minimal capacity to analyze concepts and theories. Misses most classes and performed very poorly in, or even failed to participate in class discussions. The final paper, if submitted, has been of a poor standard or plagiarized.

10. Tentative Course Schedule: *May change to accommodate guest presenters & student needs*

Topics	Readings to be discussed	Homework Assignment	Other
September 5,7 Introduction. Add/Drop week. Course overview. Syllabus Review. Conceptual background of Accounting. Introduction to Financial Accounting and Reporting System. Law of Accounting.	Law of Accounting of the KR.	Add/Drop week.	
September 12,14 Accounting, its subject and methods. Accounting information and financial reporting. Users of financial statements. Accounting and distribution of resources. Purposes of reporting statements. Ethics in the environment of financial accounting.	Ch.1 (pp.3-10).	Review questions	
September 19,21 Conceptual Basis of Accounting Principles. Accounting Underlying	Ch.1 (pp.11-24), IAS 1.	E1-2; E1-5; P1-3. Additional exercises.	

<p>concepts of accounting. Basic accounting equation. Business transactions as the object of measurement. Qualitative characteristics of accounting information. Main elements of financial reports. Financial statements. Application of main accounting principles. Constraints of accounting information. International accounting standards and conceptual framework.</p>			
<p>September 26, 28 Accounting Cycle. Business transactions; definition and measurement. Accounts corresponding and accounting entries. Double-entry rule. Phases of accounting cycle.</p>	<p>Ch.2 (pp. 56 – 62) IAS 1.</p>	<p>Review questions E2-5; E2-7; E2-10; P2-5. Additional exercises.</p>	<p>Recommended readings: 2 – Ch.2</p>
<p>October 3, 5 Accounting Cycle. Recording of events and transactions in journals, posting to ledgers, trial balance. Chart of accounts in the Kyrgyz Republic.</p>	<p>Ch.2 (pp. 63-81) IAS 1.</p>	<p>Additional exercises.</p>	<p>Recommended readings: 2 – Ch.2 <i>Quiz 2</i></p>
<p>October 10,12 The Adjustment Process and Financial Statements. Methods of revenue and expense calculations. Deferred revenues and expenses. Adjusting entries and its reasons. Work sheet: meaning and steps of preparing. Closing entries.</p>	<p>Ch.3 (pp.117-141),</p>	<p>1 - E3-18; E3-19, E3-20 Additional exercises.</p>	<p>Recommended readings: 1-Ch. 4 (pp.165-181); 2 – Ch.3.</p>
<p>October 17,19,24 The Accounting Policy. Financial reporting. Disclosures of financial reporting.</p>	<p>IAS 1.</p>	<p>Additional exercises.</p>	<p><i>Quiz 3</i></p>
<p>October 26</p>	MIDTERM EXAM		
<p>October 31 Preparing Financial Statements and Work Sheet. Preparing financial statements based on work sheet.</p>	<p>Ch.4 (pp.184-189)</p>	<p><u>Hand in Individual Assignment</u></p>	
<p>November 2 Preparing Financial</p>	<p>Ch.4 (pp.191-199)</p>	<p><u>Hand in Work Sheet 2</u></p>	<p>Recommended readings: 1-Ch.</p>

Statements and Work Sheet. Preparing financial statements based on work sheet.			2
November 7	FALL BREAK		
November 9			
November 14, 16 Current Assets. Cash. Accounting for cash. Petty cash. Control of cash flows. Accounting for cash advances.	Ch.7 (pp.374-394).	E7-23; E7-24. Additional exercises.	Recommended readings: 2 -Ch. 4 Deadline Work Sheet 2 (Nov.14)
November 21, 23, 28 Current Assets. Accounts Receivable. Accounts receivable maintenance. Rules for recording of accounts receivable. Valuation of accounts receivable: direct writing off method, percent of sale method.	Ch.8 (pp.423-447).	E8-7; E8-8; E8-12; P8-1; P8-2.	Quiz 4 Deadline Individual Assignment (Nov.28)
December 5, 7 Current Assets. Inventory. Nature of inventory and costs of goods sold. Inventory Costing methods. Evaluating Inventory Management. Control of Inventory.	Ch.6 (pp. 324-333)	E6-8; E6-19; P6-2; P6-5. Additional exercises.	Quiz 5
December 12,14 Current Assets. Inventory. Periodic and perpetual inventory systems.	1 – Ch.7 (pp.334 – 344)	Handout Exercises.	
December 19	FINAL EXAM		

11. Readings:

Item	Author(s)	Reference
1	Miller-Nobles, T., Mattison, B. & Matsumura, E., M	Miller-Nobles, T., Mattison, B. & Matsumura, E., M (2016) Hongren's Financial & Managerial Accounting, 5 th ed. Pearson Education
2	IFRS 2012	www.iasplus.com
3	Law of Accounting of the Kyrgyz Republic	
4	Tax Code of the Kyrgyz Republic	