

**Peking University
HSBC Business School**

**FINANCIAL ACCOUNTING
Tuesday & Friday 1:30-3:20 p.m.
3rd Module, 2015 Spring (March 2 – May 5)**

Instructor: Dr. Nan Liu

Office: Room 662

Phone number: 2603-3873

Email: nanliu@phbs.pku.edu.cn

Office Hours: Tuesday 3:30pm-5:30pm, or by appointment.

Teaching Assistant: Meishi Chen, chenms10@sz.pku.edu.cn

COURSE OBJECTIVES:

The purpose of this course is to teach students the skills to apply accounting knowledge to solve real business problems and make solid decisions. Upon successful completion of financial accounting, students will be able to: translate activities related to essential business processes into accounting information reflected in the accounting information system; prepare financial statements for external users; and comprehend the usefulness of accounting information to stakeholders making business decisions.

PREPARATION AND PARTICIPATION:

Students are expected to come to class prepared. Your attendance and active participation in this class are essential to your learning. Research shows that attendance is a good predictor of performance. Students that read (and reread) the chapters and review their notes, lecture material, and homework have a much better success rate

COURSE MATERIAL:

Financial Accounting, Weygandt, Kieso, and Kimmel, 6th ed., John Wiley & Sons, Inc.

ISBN: 978-0-470-12884-8 (chapters 1, 2, 3, 4, 7) (WKK)

Financial Accounting, Tools for business decision making, international student version, 6th ed., Kimmel, Weygandt and Kieso, ISBN-13: 978-0470646458 (KWK)

COURSE WEBSITE:

<http://cms.phbs.pku.edu.cn/> This is PHBS's online learning environment that supports teaching, learning, and collaboration for students and instructors. Specifically, you will find your class syllabus, handouts, and instructor announcements on this website. Be sure to check the System frequently for announcements and any changes to the class schedule.

GRADING:

Exam 1	100 points, 20%
Exam 2	100 points, 20%
Exam 3	150 points, 30%
Best 10 of 11 Quizzes (@7 points each)	70 points, 14%
Class Participation (@ 5 points each)	80 points, 16%

Total Points

500 points, 100%

TENTATIVE CLASS SCHEDULE

Week	CLASS DATE	READING ASSIGNMENT	LEARNING OBJECTIVES	QUIZ DUE
1	March 3, 2015	Chapter 1 Accounting in action (WKK)	Discuss the concept of accounting, the building blocks of accounting, and financial statements, and the importance of ethics in financial reporting.	
		Chapter 2 The Recording process (WKK)	Define debits and credits and identify the basic steps in the recording process. Prepare a trial balance.	QUIZ 1
2	March 10	Chapter 3 Adjusting the accounts (WKK)	Explain the accrual basis of accounting; identify the major types of adjusting entries and prepare adjusting entries.	QUIZ 2
		Chapter 4 Completing the accounting cycle (WKK) Chapter 7 Accounting principles (WKK)	Explain the process of closing the books. Explain the approaches to preparing correcting entries. Identify the sections of a classified balance sheet Discuss the qualitative characteristics of accounting information and elements of financial statements	QUIZ 3
3	March 17	Review for Exam 1		QUIZ 4
	March 20	Exam 1	Ch 1-4, 7 (WKK)	
4	March 24	Chapter 5 Merchandising operations and the multiple-step income statement	Identify the differences between a service company and a merchandising company. Explain the recording of purchases and sales under a perpetual inventory system.	
		Chapter 5 continued Chapter 6 Recording and analyzing inventory	Determine cost of goods sold under a periodic system. Explain the basis of accounting for inventories and apply the inventory cost flow methods under a periodic inventory system	
5	March 31	Chapter 6 continued	Explain the lower-of-cost-or-market basis of accounting for inventories. Describe the LIFO reserve and explain its importance for comparing results of different companies	QUIZ 5
		Chapter 8 Reporting and analyzing receivables	Explain how accounts receivable are recognized in the accounts. Describe the methods used to account for bad debts. Compute the interest on notes receivable.	QUIZ 6
6	April 7	Chapter 8 Continued Review for exam 2	Describe the entries to record the disposition of notes receivable. Describe the principles of sound accounts receivable management.	QUIZ 7

	April 10	Exam 2	Ch5, 6, 8 (KWK)	
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TENTATIVE CLASS SCHEDULE

Week	CLASS DATE	READING ASSIGNMENT	LEARNING OBJECTIVES	QUIZ DUE
7	April 14	Chapter 9 Reporting and Analyzing long-lived assets	Describe how the cost principle applies to plant assets. Compute periodic depreciation using the straight-line method, and contrast its expense pattern with those of other methods.	
		Chapter 9 continued Chapter 10 Reporting and analyzing liabilities	Explain how to account for the disposal of plant assets. Identify the basic issues related to reporting intangible assets. Explain a current liability and identify the major types of current liabilities	
8	April 21	Chapter 10 continued;	Describe the accounting for notes payable, bonds and interest expenses. Describe the entries when bonds are redeemed.	QUIZ 8
		Chapter 11 Reporting and Analyzing stockholder's equity	Record the issuance of common stock. Explain the accounting for the purchase of treasury stock. Prepare the entries for cash dividends and understand the effect of stock dividends and stock splits. Identify the items that affect retained earnings.	QUIZ 9
9	April 28	Chapter 12 Statement of cash flows	Distinguish among operating, investing, and financing activities. Prepare a statement of cash flows using the indirect method.	QUIZ 10
		Review for exam		QUIZ 11
10	May 5	Final Exam	Ch 9-12 (KWK)	

Note:

- Quizzes will be posted under Assignment on CMS.
- There are NO MAKE-UP QUIZZES.
- Students who have examination conflicts with the scheduled examination time periods must contact the instructor at least one week before the first exam date. Students who miss an exam due to an emergency situation must contact the instructor as soon as possible. Documentation of the time conflict or emergency situation will be required. Make-up exams will be more difficult than regularly scheduled exams, and may be given only on the presentation by the student of documented, valid, and acceptable excuses.