

**Commerce 1AA3**  
**Financial Accounting Summer 2020 Course Outline**  
**Accounting and Financial Management Services Area**  
**DeGroote School of Business**  
**McMaster University**

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***COURSE OBJECTIVE***

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This course will help students understand the purpose of accounting, its implementation, its usefulness for decision making, its effect on behaviour and contracts, and its surrounding controversies over accounting methods.

The specific objectives of this course are:

- 1) Help students develop a thorough understanding of accounting procedures and the choices possible in preparing corporate financial statements.
- 2) Help students become intelligent readers and users of corporate financial reports, which include the fundamental statements (balance sheet, income statement, retained earnings statement, and cash flow statement) plus explanatory notes, auditor's report, etc.
- 3) Develop students' appreciation of the usefulness and limitations of financial accounting information.

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***INSTRUCTOR AND CONTACT INFORMATION***

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**Karim Karim, P. Eng, MBA, B.A.Sc.**

[karimk7@mcmaster.ca](mailto:karimk7@mcmaster.ca)

Office: DSB 318

Office Hours: after class

**Teaching Assistants:** Information to be posted on Avenue

**Course Website:** <http://avenue.mcmaster.ca>

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***COURSE ELEMENTS***

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|                 |     |               |     |             |     |                   |     |
|-----------------|-----|---------------|-----|-------------|-----|-------------------|-----|
| Credit Value:   | 3   | Leadership:   | Yes | IT skills:  | Yes | Global view:      | Yes |
| A2L:            | Yes | Ethics:       | Yes | Numeracy:   | Yes | Written skills:   | Yes |
| Participation:  | Yes | Innovation:   | Yes | Group work: | Yes | Oral skills:      | Yes |
| Evidence-based: | Yes | Experiential: | Yes | Final Exam: | Yes | Guest speaker(s): | Yes |

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## ***COURSE DESCRIPTION***

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This course introduces the fundamental concepts of financial accounting. The focus of this course will be on how accounting is used for recording economic events and for the financial reporting, primarily to users, external to business organizations. The course will emphasize underlying concepts and principles, as well as cover accounting procedures in sufficient detail to enable students to record accounting transactions and prepare financial statements. A major emphasis in the course will be on understanding the information in corporate financial reports and its use by individuals, external to a corporation in making investment and contracting decisions. The course will examine alternative accounting policies and methods that may legitimately be used in financial reporting, and motivations that may influence managers in choosing among them.

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## ***LEARNING OUTCOMES***

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Upon successful completion of this course, students will be able to complete the following key tasks:

1. Read and understand financial statements.
2. Understand the accounting conceptual framework and relate it to all accounting transactions.
3. Understand the accounting cycle and implement all its steps including analyzing, journalizing and posting accounting transactions, preparing end-of-period adjusting entries, preparing pre- and post-adjusting entries trial balance, and preparing closing entries.
4. Prepare financial statements such as the Statement of Earnings, Statement of Retained Earnings, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows.
5. Analyze internal control issues and employ some procedures to deal with them such as Bank Reconciliation Statement.
6. Record and measure of individual elements within the financial statements such as accounts receivable, allowances, contingencies, inventory, long term depreciable and non-depreciable assets, short term and long-term liabilities, and shareholders' equity.
7. Analyze and interpret financial statements using ratio analysis and vertical and horizontal ratio analysis with industry and within the firm over time.

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## ***COURSE MATERIALS AND READINGS***

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**Required:**

Course Materials Are Available on Avenue To Learn

<http://avenue.mcmaster.ca>

Pearson My Accounting Course (MyLab Accounting), Financial Accounting 6th Canadian Edition by Harrison, Horngren, Thomas

MyLab Accounting and e-book access code only.  
ISBN 9781323752982 \$67.95

**Note – MyLab Accounting is required to complete and submit the online assignments**

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## ***EVALUATION***

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Missed tests/exams will receive a grade of zero unless the student has submitted and been approved for a Notification of Absence or MSAF. Your final grade will be calculated as follows:

### **Components and Weights**

|                           |   |             |
|---------------------------|---|-------------|
| <b>Midterm Exam</b>       | Tuesday, May 26 <sup>th</sup> , @ 6:30 pm for 2 hours | 30%         |
| <b>Final Exam</b>         | Thursday, June 18 <sup>th</sup> @ 6:30pm for 2 hours  | 40%         |
| <b>Online Assignments</b> | 8 online assignments                                  | 15%         |
| <b>In-Class Quizzes</b>   | Live quizzes held during class                        | 15%         |
| <b>Total</b>              |   | <b>100%</b> |

The instructor reserves the right to take trends and participation into consideration in assigning the final grade. (Some students do not "fit all of the pieces together" until the final weeks of the course.)

### **Communication and Feedback**

Students who wish to correspond with instructors or TAs directly via email must send messages that originate from their official McMaster University email account. This protects the confidentiality and sensitivity of information as well as confirms the identity of the student. Emails regarding course issues should NOT be sent to the Area Administrative Assistants. Instructors are required to provide evaluation feedback for at least 10% of the final grade to students prior to Week #9 in the term. Instructors may solicit feedback via an informal course review with students by Week #4 to allow time for modifications in curriculum delivery.

## Course Deliverables

### ***Online Assignments***

Since this is a flipped course, online assignments will be partially covering materials for new chapters before they are covered in class. The purpose of this assessment is to make sure that students read the online materials before class. Assignments are to be completed only by the student individually. The assignments will be made available on Avenue as per the schedule below. There is no time limit to complete the assignments. Any revisions to the due dates will be communicated through Avenue announcements. If an MSAF is used for an individual assignment, then the average mark of the remaining 7 Assignments will be used to calculate the overall grade for this component. The assignments combined are worth 15% of your final grade.

| <b>Assignment</b> | <b>Date Released</b> | <b>Date Closed</b>     | <b>Coverage</b>  |
|-------------------|----------------------|------------------------|------------------|
| Assignment 1      | Thu May 6 @ 10 am    | Sun May 10 @ 11:59 pm  | Chapter 2        |
| Assignment 2      | Mon May 11 @ 10 am   | Wed May 13 @ 11:59 pm  | Chapter 3        |
| Assignment 3      | Thu May 14 @ 10 am   | Sun May 17 @ 11:59 pm  | Chapter 10       |
| Assignment 4      | Mon May 18 @ 10 am   | Wed May 20 @ 11:59 pm  | Chapter 4        |
| Assignment 5      | Thu May 28 @ 10 am   | Sun May 31 @ 11:59 pm  | Chapter 5        |
| Assignment 6      | Mon June 1 @ 10 am   | Wed June 3 @ 11:59 pm  | Chapters 6       |
| Assignment 7      | Thu June 4 @ 10 am   | Sun June 7 @ 11:59 pm  | Chapter 8 - CL   |
| Assignment 8      | Mon June 8 @ 10 am   | Wed June 10 @ 11:59 pm | Chapters 8 - LTL |

### ***In-class Quizzes***

In-class quizzes will be held live during class. The quizzes will be True/False and/or Multiple-Choice questions primarily focused on content covered the same day or during the previous class. The quizzes are designed as an active learning component to enhance the student learning experience and to encourage students to keep up with the course materials. Detailed instructions on how to participate in the quizzes will be posted in Avenue to Learn. The in-class quizzes combined for all classes are worth 15% of your final grade.

### ***Midterm Exam***

The midterm exam is worth 30% of your final grade and will be online. The exam will cover material from the textbook, readings, lectures, online material, tutorials, online quizzes, assignments, Learning Catalytics and class discussion. The chapters covered on the midterm exam are: Chapter 1, 2, 3, 4, and 10. Two hours will be allocated for the midterm exam.

If a student files a successful MSAF for missing the midterm, the final exam weight will include the weight of the midterm exam. In case the instructor chooses not to make the final exam comprehensive, students who missed the midterm and filed a successful MSAF will **write a final exam that is comprehensive and different from the final exam for students who wrote the midterm. The comprehensive final exam will include the chapters on which MSAF students were not tested.**

### ***Final exam***

The final exam is worth 40% of your final grade and will be online. The exam will cover material from the textbook, readings, lectures, online material, tutorials, online quizzes, assignments, Learning Catalytics, and class discussion. This final exam will cover chapters 5, 6, 8, 9, and 11. **Students who did not write the midterm will write a cumulative final exam that includes material from the midterm. The final exam will be for 2 hours.**

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## ***ACADEMIC INTEGRITY***

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You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity.

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: "Grade of F assigned for academic dishonesty"), and/or suspension or expulsion from the university.

It is your responsibility to understand what constitutes academic dishonesty. For information on the various types of academic dishonesty please refer to the *Academic Integrity Policy*, located at:

[www.mcmaster.ca/academicintegrity](http://www.mcmaster.ca/academicintegrity)

The following illustrates only three forms of academic dishonesty:

1. Plagiarism, e.g. the submission of work that is not one's own or for which other credit has been obtained.
2. Improper collaboration in group work.
3. Copying or using unauthorized aids in tests and examinations

## ***ONLINE COURSE COMPONENTS***

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In this course we will be using Pearson's My Accounting Lab, Pearson's Learning Catalytics, Top Hat and Avenue to Learn. Students should be aware that when they access the electronic components of this course, private information such as first and last names, usernames for the McMaster e-mail accounts, student numbers, and program affiliation may become apparent to all other students in the same course. The available information is dependent on the technology used. Continuation in this course will be deemed consent to this disclosure.

If you have any questions or concerns about such disclosure, please discuss this with the course instructor.

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## ***REQUESTING RELIEF FOR MISSED ACADEMIC WORK***

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Students may request relief from a regularly scheduled midterm, test, assignment or other course components. Please refer to the policy and procedure on the DeGroote website at the link below;

<http://ug.degroote.mcmaster.ca/forms-and-resources/misled-course-work-policy/>

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## ***STUDENT ACCESSIBILITY SERVICES***

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Students who require academic accommodation must contact Student Accessibility Services (SAS) to plan with a Program Coordinator. Academic accommodations must be arranged for each term of study. Student Accessibility Services can be contacted by phone 905-525-9140 ext. 28652 or e-mail [sas@mcmaster.ca](mailto:sas@mcmaster.ca).

For further information, consult McMaster University's Policy for Academic Accommodation of Students with Disabilities:

<http://www.mcmaster.ca/policy/Students-AcademicStudies/AcademicAccommodation-StudentsWithDisabilities.pdf>

## ***ACADEMIC ACCOMMODATION FOR RELIGIOUS, INDIGENOUS OR SPIRITUAL OBSERVANCES (RISO)***

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Students requiring academic accommodation based on religious, indigenous or spiritual observances should follow the procedures set out in the RISO policy. Students requiring a RISO accommodation should submit their request, including the dates/times needing to be accommodated and the courses which will be impacted, to their Faculty Office normally within 10 days of the beginning of term or to the Registrar's Office prior to their examinations. Students should also contact their instructors as soon as possible to make alternative arrangements for classes, assignments, and tests.

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## ***POTENTIAL MODIFICATION TO THE COURSE***

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The instructor reserves the right to modify elements of the course during the term. There may be changes to the dates and deadlines for any or all courses in extreme circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to check their McMaster email and course websites weekly during the term and to note any changes.

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## ***ACKNOWLEDGEMENT OF COURSE POLICIES***

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Your enrolment in Commerce 1AA3 will be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during lecture and/or on A2L. **It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly.**

Lack of awareness of the course policies **cannot be invoked** at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

**Commerce 1AA3  
Introduction to Financial Accounting  
Summer 2020 Course Schedule**

| WEEK | DATE          | CHAPTER  | ASSIGNMENT  |
|------|---------------|--|---|
| 1    | Tue May 5th   | Introduction & Chapter 1   | The Financial Statements                              |
| 2    | Thu May 7th   | Chapter 2  | Recording Business Transactions                       |
| 3    | Tue May 12th  | Chapter 3  | Accrual Accounting and the Financial Statements       |
| 4    | Thu May 14th  | Chapter 10   | The Statement of Cash Flows                           |
| 5    | Tue May 19th  | Chapter 4  | Cash and Receivables                                  |
| 6    | Thu May 21st  |  | Catch up and Review                                   |
| 7    | Tue May 26th  | <b>Midterm Exam at 6:30 pm for 2 hours (30%) – Chapters 1,2,3,4 &amp; 10.</b>  |   |
| 8    | Thu May 28th  | Chapter 5  | Inventory & Cost of Goods Sold                        |
| 9    | Tue June 2nd  | Chapter 6  | Property, Plant, and Equipment, and Intangible Assets |
| 10   | Thu June 4th  | Chapter 8  | Current Liabilities                                   |
| 11   | Tue June 9th  | Chapter 8  | Long Term Liabilities                                 |
| 12   | Thu June 11th | Chapter 9  | Shareholders' Equity                                  |
| 12   | Tue June 16th | Chapter 11   | Financial Statement Analysis (and catch-up)           |
| 14   | Thu June 18th | <b>Final Exam at 6:30 pm for 2 hours (40%) – Chapters 5, 6, 8, 9 &amp; 11.</b> |   |