

**Commerce 1AA3
Financial Accounting
Summer 2023 Course Outline**

**Accounting and Financial Management Services Area
DeGroote School of Business
McMaster University**

COURSE OBJECTIVE

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

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

karimk7@mcmaster.ca

Office: DSB 318

Office Hours: after class or by appointment

Teaching Assistant

Each student will be assigned a TA for virtual support, to be posted in Avenue

Course Website

<http://avenue.mcmaster.ca>

MS Office Suite

<https://portal.office.com/> or <https://office365.mcmaster.ca/>

All McMaster students have free access to Office 365 on up to 5 devices. Login with your MacID and password to get access to Office 365.

COURSE ELEMENTS

| | | | |
|---------------------|-------------------|-----------------|-----------------------|
| 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 |

COURSE DESCRIPTION

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.

COURSE LEARNING OUTCOMES

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.

COURSE MATERIALS AND READINGS

Course Website

<http://avenue.mcmaster.ca>

FREE

<https://app.tophat.com/login>

FREE

Required: Pearson MyAccountingLab

7th Canadian Edition by Harrison, Horngren, Thomas

Purchase options:

Option 1: Hardcover version with MyAccountingLab and e-text

\$ 140.95

Option 2: Loose Leaf Version with MyAccountingLab and e-text

\$ 95.00

Option 3: MyAccountingLab and e-text only.

\$ 71.50

Note - **MyAccountingLab is mandatory to complete the online assignments**

COURSE OVERVIEW AND ASSESSMENT

Your final grade will be calculated as follows:

| EVALUATION | WEIGHT | DESCRIPTION |
|--|--------|--|
| Online Assignments | 10% | Conducted on MAL covering the self-study content throughout the term. |
| Quizzes – In-Class | 10% | Conducted live during class on Avenue. 10 Quizzes x 1% each. You must be physically present in the classroom to write the Quizzes. |
| Participation Via Top Hat | 5% | Half the marks are for participation and the other half for getting the questions correct on Top Hat during classes. |
| Midterm: chapters 1, 2, 3, 9, and 4. | 35% | Tuesday May 23rd. In-person, 2 hours. |
| Final Exam: chapters 5, 6, 7, 8, and 10 | 40% | Thursday June 15th. In-person, 2 hours. |

NOTES:

- Missed tests/exams will receive a grade of zero unless the student has submitted and been approved for a Notification of Absence or MSAF.
- The use of a McMaster standard calculator is allowed during examinations in this course. See McMaster calculator policy.

COURSE DELIVERABLES

Online Assignments (10%)

Since this is a flipped course, online assignments will be 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. Each online assignment must be completed only by the student individually. Receiving direct answers on the assignment questions from any person constitutes a breach of McMaster Academic Integrity Policy. The assignments will be made available on MyAccountingLab (MAL) with unlimited time to complete within the available schedule shown below. Any revisions to the due dates will be communicated through Avenue announcements.

It is a breach of academic integrity to do the assignments with a tutor or tutoring service or other students. The assignment must be done individually by the student.

The online assignment dates are as follows:

| Assignment | Date Released | Date Closed | Coverage |
|-------------------|----------------------|-----------------------|----------------------|
| Practice A | Mon May 1 @ 8 am | Wed May 3 @ 11:59 pm | Chapter 1 Not Graded |
| Practice B | Thu May 4 @ 8 am | Sun May 7 @ 11:59 pm | Chapter 2 Not Graded |
| Assignment 1 | Mon May 8 @ 8 am | Wed May 10 @ 11:59 pm | Chapter 3 |
| Assignment 2 | Thu May 11 @ 8 am | Sun May 14 @ 11:59 pm | Chapter 9 |
| Assignment 3 | Mon May 15 @ 8 am | Wed May 17 @ 11:59 pm | Chapter 4 |
| Assignment 4 | Thu May 25 @ 8 am | Sun May 28 @ 11:59 pm | Chapter 5 |
| Assignment 5 | Mon May 29 @ 8 am | Wed May 31 @ 11:59 pm | Chapters 6 |
| Assignment 6 | Thu June 1 @ 8 am | Sun June 4 @ 11:59 pm | Chapter 7 - CL |
| Assignment 7 | Mon June 5 @ 8 am | Wed June 7 @ 11:59 pm | Chapters 7 - LTL |

The lowest two Assignment scores will be excluded from the calculation of your final grade, leaving 5 Assignments worth 2% each (total of 10%). If you use an MSAF for one of the Assignments, then that Assignment will be selected as the dropped Assignment. Hence, there is no benefit to applying for an MSAF on an Assignment since the lowest two marks will be dropped regardless. If an MSAF is applied to more than two Assignments, then the 2% weight of the additional Assignment(s) will be moved to the final exam.

Quizzes (10%)

Quizzes will be held live during class on Avenue. The quizzes will be short with True/False and/or Multiple-Choice and/or Fill-In-The-Blank 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. Instructions on how to participate in the quizzes will be advised during class.

Participation (5%)

Participation marks will be assigned during the lectures. Students will be asked questions in person during the lectures and will respond using the Top Hat platform. There is no cost to students for using the Top Hat platform. Half the marks will count for participating on the question and the other half for getting the answer to the question correct. **It is a breach of academic integrity to do the Top Hat from outside the classroom.** You must be physically present in the classroom to attempt Top Hat.

Midterm Exam (35%)

The midterm exam will be in-person and will cover material from the textbook, readings, lectures, online material, tutorials, online assignments, and class discussion. **Students will be required to use their laptop to write the midterm exam.** The format of the exam may include True/False, Multiple-Choice, Fill in the Blank and/or Written Questions. Past midterm exams will be made available on Avenue for practice.

Students who miss the midterm, whether they obtain a successful MSAF or not, will write a cumulative final exam that includes the midterm chapters. Those who obtain a successful MSAF will have the midterm weight transferred to the final exam. Those who do not obtain a successful MSAF will get a zero on the midterm weight. Since the midterm weight is more than 24%, students cannot self-MSAF the midterm and will have to apply for the MSAF from their faculty office if they miss the midterm.

Final exam (40%)

The final exam will be in-person and will cover material from the textbook, readings, lectures, online material, tutorials, online assignments, and class discussion. **Students will be required to use their laptop to write the final exam.** The format of the exam may include True/False, Multiple-Choice, Fill in the Blank and/or Written Questions. Past final exams will be made available on Avenue for practice.

If a student obtains a successful MSAF for missing a midterm, the final exam weight will include the weight of the missed midterm exam.

Students who miss the midterm, whether they obtain a successful MSAF or not, will write a cumulative final exam that includes the midterm chapters. Those who obtain a successful MSAF will have the midterm weight transferred to the final exam. Those who do not obtain a successful MSAF will get a zero on the midterm weight.

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. All students must receive feedback regarding their progress prior to the final date by which a student may cancel the course without failure by default.

- *For Level 1 and Level 2 courses, this feedback must equal a minimum of 20% of the final grade.*
- *For Level 3 courses and above, this feedback must equal a minimum of 10% of the final grade.*

Instructors may solicit feedback via an informal course review with students by Week #4 to allow time for modifications in curriculum delivery.

REQUESTING RELIEF FOR MISSED ACADEMIC WORK

In the event of an absence for medical or other reasons, students should review and follow the Academic Regulation in the Undergraduate Calendar [“Requests for Relief for Missed Academic Term Work”](#) and the link below;

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

ACADEMIC INTEGRITY

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. **It is your responsibility to understand what constitutes academic dishonesty.**

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.

For information on the various types of academic dishonesty please refer to the [Academic Integrity Policy](#), located at <https://secretariat.mcmaster.ca/university-policies-procedures-guidelines/>

The following illustrates only three forms of academic dishonesty:

- plagiarism, e.g. the submission of work that is not one’s own or for which other credit has been obtained.
- improper collaboration in group work.
- copying or using unauthorized aids in tests and examinations.

AUTHENTICITY/PLAGIARISM DETECTION

Some courses may use a web-based service (Turnitin.com) to reveal authenticity and ownership of student submitted work. For courses using such software, students will be expected to submit their work electronically either directly to Turnitin.com or via an online learning platform (e.g. A2L, etc.) using plagiarism detection (a service supported by Turnitin.com) so it can be checked for academic dishonesty.

Students who do not wish their work to be submitted through the plagiarism detection software must inform the Instructor before the assignment is due. No penalty will be assigned to a student who does not submit work to the plagiarism detection software.

All submitted work is subject to normal verification that standards of academic integrity have been upheld (e.g., on-line search, other software, etc.). For more details about McMaster's use of Turnitin.com please go to www.mcmaster.ca/academicintegrity.

COURSES WITH AN ON-LINE ELEMENT

Some courses may use on-line elements (e.g. e-mail, Avenue to Learn (A2L), LearnLink, web pages, capa, Moodle, ThinkingCap, etc.). Students should be aware that, when they access the electronic components of a course using these elements, private information such as first and last names, user names for the McMaster e-mail accounts, 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 a course that uses on-line elements will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure please discuss this with the course instructor.

ONLINE PROCTORING

Some courses may use online proctoring software for tests and exams. This software may require students to turn on their video camera, present identification, monitor and record their computer activities, and/or lock/restrict their browser or other applications/software during tests or exams. This software may be required to be installed before the test/exam begins.

CONDUCT EXPECTATIONS

As a McMaster student, you have the right to experience, and the responsibility to demonstrate, respectful and dignified interactions within all of our living, learning and working communities. These expectations are described in the [Code of Student Rights & Responsibilities](#) (the “Code”). All students share the responsibility of maintaining a positive environment for the academic and personal growth of all McMaster community members, **whether in person or online**.

It is essential that students be mindful of their interactions online, as the Code remains in effect in virtual learning environments. The Code applies to any interactions that adversely affect, disrupt, or interfere with reasonable participation in University activities. Student disruptions or behaviours that interfere with university functions on online platforms (e.g. use of Avenue 2 Learn, WebEx or Zoom for delivery), will be taken very seriously and will be investigated. Outcomes may include restriction or removal of the involved students’ access to these platforms.

ACADEMIC ACCOMMODATION OF STUDENTS WITH DISABILITIES

Students with disabilities who require academic accommodation must contact [Student Accessibility Services](#) (SAS) at 905-525-9140 ext. 28652 or sas@mcmaster.ca to make arrangements with a Program Coordinator. For further information, consult McMaster University’s [Academic Accommodation of Students with Disabilities](#) policy.

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

Students requiring academic accommodation based on religious, indigenous or spiritual observances should follow the procedures set out in the [RISO](#) policy. Students should submit their request to their Faculty Office **normally within 10 working days** of the beginning of term in which they anticipate a need for accommodation 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.

COPYRIGHT AND RECORDING

Students are advised that lectures, demonstrations, performances, and any other course material provided by an instructor include copyright protected works. The Copyright Act and copyright law protect every original literary, dramatic, musical and artistic work, **including lectures** by University instructors.

The recording of lectures, tutorials, or other methods of instruction may occur during a course. Recording may be done by either the instructor for the purpose of authorized distribution, or by a student for the purpose of personal study. Students should be aware that their voice and/or image may be recorded by others during the class. Please speak with the instructor if this is a concern for you.

EXTREME CIRCUMSTANCES

The University reserves the right to change the dates and deadlines for any or all courses in extreme circumstances (e.g., severe weather, labour disruptions, etc.). Changes will be communicated through regular McMaster communication channels, such as McMaster Daily News, A2L and/or McMaster email.

ACKNOWLEDGEMENT OF COURSE POLICIES

Your enrolment in Commerce 1AA3 will be considered to 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.

COURSE SCHEDULE

| DATE | CHAPTER | ASSIGNMENT |
|--------------|--|---|
| Tue May 2nd | Introduction & Chapter 1 | The Financial Statements |
| Thu May 4th | Chapter 2 | Recording Business Transactions |
| Tue May 9th | Chapter 3 | Accrual Accounting and the Financial Statements |
| Thu May 11th | Chapter 9 | The Statement of Cash Flows |
| Tue May 16th | Chapter 4 | Cash and Receivables |
| Thu May 18th | Catch up as needed. | |
| Tue May 23rd | Midterm Exam at 6:30 pm for 2 hours – Chapters 1,2,3,4 & 9. Room PGCLL M21, Laptop Required | |
| Thu May 25th | Chapter 5 | Inventory & Cost of Goods Sold |
| Tue May 30th | Chapter 6 | Property, Plant, and Equipment, and Intangible Assets |
| Thu Jun 1st | Chapter 7 | Current Liabilities |
| Tue Jun 6th | Chapter 7 | Long Term Liabilities |
| Thu Jun 8th | Chapter 8 and 10 | Shareholders' Equity & Financial Statement Analysis |
| Tue Jun 13th | Catch up as needed. | |
| Thu Jun 15th | Final Exam at 6:30 pm for 2 hours – Chapters 5,6,7,8 & 10. Room PGCLL M21, Laptop Required | |