

**Commerce 1AA3  
Financial Accounting  
Winter 2024 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 helps 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***

Instructor
<b>Dr. Alfred Liu (C01-We, C02/C03-Tu/Th)</b>
<a href="mailto:liu1873@mcmaster.ca">liu1873@mcmaster.ca</a>
Office: DSB 325
Office Hours: We 1pm-3pm
Tel: (905) 525-9140 x27830

**Instructional Assistant: Mr. Karim Karim** (email: [karimk7@mcmaster.ca](mailto:karimk7@mcmaster.ca))

All your administrative questions and concerns related to grades, MSAFs for missed work, SAS, course materials, examinations, etc. should be directed to Mr. Karim.

**Teaching Assistant**

Each student will be assigned a TA for virtual support and in-person office hours.

	TA office hours/location
C01 – Chang Eui Yoon	TBA on Avenue
C02 – Zhe (Joyce) Zhang	TBA on Avenue
C03 – Chenwei Sun	TBA on 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.

## Top Hat

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

Create an account on Top Hat using your McMaster email address and enter your 9-digit student number in place of Student ID. Your first and last name on Top Hat should match exactly as shown in Avenue. You will be added to the relevant class by the instructor. There is no cost to use this platform.

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## ***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

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## ***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.

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## ***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.

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

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### **Course Website**

<http://avenue.mcmaster.ca> FREE

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

Required: Pearson MyAccountingLab

8th Canadian Edition by Harrison, Horngren, Thomas

Purchase options:

MyAccountingLab and e-text only (24-month access). \$ 75.95

Note - MyAccountingLab is mandatory to complete the online assignments.

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## ***COURSE OVERVIEW AND ASSESSMENT***

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### **Self-Study**

Self-study course materials will be released the week before a chapter is covered in synchronous classes. These materials are:

1. Chapter notes that summarize the chapter and provide sample questions at the end.
2. Video modules, prepared by course instructor, covering chapter content and sample problems.
3. PowerPoint presentation

### **Classes**

*Lectures:* during lectures, the instructor will cover the same content from asynchronous chapter materials. The focus will be on the most challenging concepts.

*Instructor-led exercises:* students will participate by answering questions delivered via Top Hat, and participation grades will be taken.

### **Assessments**

Your final grade will be calculated as follows:

EVALUATION	WEIGHT	DESCRIPTION
Online Assignments	16%	Best 8 of nine assignments at 2% each. <b>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.</b>
Participation via Top Hat	10%	Half the marks are for participation and the other half for getting the questions correct on Top Hat during classes. <b>It is a breach of academic integrity to do the Top Hat from outside the classroom or to receive answers from another section. You must be physically present in the classroom to attempt Top Hat.</b>
Midterm: Chapters 1, 2, 3, 4, and 9.	30%	Date and time on the last page
Final Exam: Chapters 5, 6, 7, 8, and 10	44%	Scheduled through Registrar. Length: 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 (16%)***

Online assignments are based on content delivered asynchronously. Receiving answers on the assignment questions from any person constitutes a breach of McMaster Academic Integrity Policy. If a student uses an MSAF for one of the assignments, then that assignment will be selected as the dropped one. Hence, there is no benefit to applying for an MSAF on an assignment since the lowest one will be dropped regardless. If an MSAF is applied to more than one assignment, then the weight of the additional assignments will be moved to the final exam. The online assignment dates are as follows:

	Release date at 9pm	Close date at 11:59pm	Chapter(s) covered
Practice (Not Graded)	January 9	January 12	Chapter 1
Assignment 1	January 16	January 19	Chapter 2
Assignment 2	January 23	January 26	Chapter 3
Assignment 3	January 30	February 2	Chapter 9
Assignment 4	February 6	February 9	Chapter 4
Assignment 5	February 13	February 16	Chapter 5 and 6
Assignment 6	March 5	March 8	Chapter 7 - CL
Assignment 7	March 12	March 15	Chapters 7 - LTL
Assignment 8	March 19	March 22	Chapters 8
Assignment 9	March 26	March 29	Chapters 10

**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.**

### ***Midterm Exam (30%)***

The in-person midterm exam will be marked individually and will be for 2 hours. The exams will cover material from the textbook, readings, lectures, online material, tutorials, online assignments, Top Hat questions, and class discussion. **Students will be required to bring their laptops to write the midterm exam in person.** The format of the exams may include True/False, Multiple-Choice, Fill in the Blank and/or Written Questions. Past midterm exams are available on Avenue for practice.

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 cannot write the midterm on the scheduled time or if they miss the midterm.

**Students are allowed to bring in a double-sided letter size crib sheet to the midterm exam. The crib sheet must be on letter size 8 ½ x 11-inch paper, and it must be handwritten. It is not allowed to handwrite the crib sheet on a tablet and then print it.**

### ***Participation (10%)***

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. Marks will be assigned based on both participation and accuracy of responses. Students must be present in person for the entire class time. **All questions must be answered throughout the class to be eligible for credit.** Half the marks will count for participating on the question and the other half for getting the answer to the question correct. Students must be **physically present** for the entire class time to attempt Top Hat. **It is a breach of academic integrity to do the Top Hat from outside the classroom or to receive answers from another section. You must be physically present in the classroom to attempt Top Hat.**

### ***Final exam (44%)***

The final exam will be marked individually and will be for 2 hours. The exam will cover material from the textbook, readings, lectures, online material, tutorials, online assignments, Top Hat questions, and class discussion. The format of the exam may include True/False, Multiple-Choice, Fill in the Blank and/or Written Questions. Past final exams are 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.

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## ***COMMUNICATION AND FEEDBACK***

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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.

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

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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/>

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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. **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.



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## ***AUTHENTICITY/PLAGIARISM DETECTION***

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

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## ***COURSES WITH AN ON-LINE ELEMENT***

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**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.

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## ***ONLINE PROCTORING***

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**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.



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## **CONDUCT EXPECTATIONS**

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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.

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## **ACADEMIC ACCOMMODATION OF STUDENTS WITH DISABILITIES**

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

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## **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 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.

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### ***COPYRIGHT AND RECORDING***

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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.

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### ***EXTREME CIRCUMSTANCES***

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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.

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

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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 (TENTATIVE)***

<b>DATE</b>	<b>CHAPTER</b>	<b>ASSIGNMENT</b>
Jan 8-12	Introduction & Chapter 1	The Financial Statements
Jan 15-19	Chapter 2	Recording Business Transactions
Jan 22-26	Chapter 3	Accrual Accounting and the Financial Statements
Jan 29 – Feb 2	Chapter 9	The Statement of Cash Flows
Feb 5-9	Chapter 4	Cash and Receivables
Feb 12-16	Catch up on remaining content from chapters 1,2,3,4, and 9.	
Feb 19 – 25	<b>Midterm Recess</b>	
Mar 4 <sup>th</sup> , 7:30 pm	<b>Midterm Exam for 2 hours – Chapters 1,2,3,4 &amp; 9.</b>	
Feb 26 – Mar 1	Chapter 5	Inventory & Cost of Goods Sold
Mar 4-8	Chapter 6	Property, Plant, and Equipment, and Intangible Assets
Mar 11-15	Chapter 7	Current Liabilities
Mar 18-22	Chapter 7	Long Term Liabilities
Mar 25-29	Chapter 8	Shareholders' Equity
Apr 1-5	Chapter 10	Financial Statement Analysis