

**Commerce 1AA3
Financial Accounting
Spring 2024 Course Outline**

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

INSTRUCTOR AND CONTACT INFORMATION

A.S. Merali

merali@mcmaster.ca

Office Hours by appointment on Zoom: <https://mcmaster.zoom.us/my/merali>

Class in HH 302 (monitor Mosaic for updates) from 6:30pm to 9:30pm on Mon & Wed

COURSE ELEMENTS

| | | | | | | | |
|-----------------|-----|---------------|-----|-------------|-----|-------------------|-----|
| Credit Value: | 3 | Leadership: | Yes | IT skills: | No | Global view: | Yes |
| A2L: | Yes | Ethics: | No | Numeracy: | Yes | Written skills: | No |
| Participation: | Yes | Innovation: | Yes | Group work: | Yes | Oral skills: | Yes |
| Evidence-based: | Yes | Experiential: | No | Final Exam: | No | Guest speaker(s): | Yes |

COURSE INFORMATION

Lectures: three-hour in-person lecture with in-class Top Hat questions for marks.

Course Delivery Mode: All classes will be in-person.

Course Description: This is an introduction to the basic principles and practices of financial accounting, which includes an examination of income measurement and asset and liability valuation, to provide an understanding of financial accounting information and the ethics of financial reporting.

IMPORTANT LINKS

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.

Microsoft Teams

Download MS Teams. Login with your McMaster email address and password. You will be added to the course team.

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. The class join code is **029398**. Your first and last name on Top Hat should match exactly as shown in Avenue. There is no cost to use this platform.

Student Accessibility Services

Students who require accommodations must submit their requests to [Student Accessibility Services](#) as soon as possible.

Other Important Links:

[Mosaic](#)

[Avenue to Learn](#)

[McMaster University Library](#)

[Academic Integrity Policy](#)

COURSE OBJECTIVES

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.
-

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.

REQUIRED MATERIALS AND TEXTS

Course Website

<http://avenue.mcmaster.ca>

FREE

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

FREE

Required:

Financial Accounting, Eighth Canadian Edition, comes with Pearson’s MyLab Accounting By Thomas, Tietz, Berberich, and Seguin

Note - MyLab Accounting is mandatory to complete the online assignments. The bookstore purchase link for ALL sections is posted on Avenue.

Titles Bookstore (McMaster’s campus bookstore) does not carry print copies of the textbook.

COURSE OVERVIEW AND ASSESSMENT

| LEARNING ACTIVITIES | DELIVERY | DESCRIPTION | TOOL(S) |
|--------------------------|--------------|--|---|
| Self-Study | Asynchronous | Video recordings of modules and assigned readings from the textbooks and other sources. | Avenue to Learn with links to videos on MacVideo. |
| In-Person Classes | Synchronous | Twice weekly 3-hour lecture including instructor-led exercises delivered via 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. | Avenue to Learn Postings. Top Hat. |
| Online Quizzes | Asynchronous | Quizzes cover self-study content and are made available based on the schedule below. One attempt is allowed with no time limit. | Pearson MyLab. |

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

In-Person 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. **Top Hat may not be done from outside the classroom. Student must be present in-person inside the classroom to participate on Top Hat. We can detect when students log in from outside the classroom to the Top Hat session, and we will treat such situations as a breach of McMaster [Academic Integrity Policy](#).**

Assessments

Your final grade will be calculated as follows:

| EVALUATION | WEIGHT | DESCRIPTION |
|---|--------|--|
| Online Quizzes | 10% | Best five of six assignments at 2% each. 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. |
| Participation via Top Hat | 15% | Half the marks are for participation and the other half for getting the questions correct on Top Hat during live in-person classes. 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. |
| Midterm: chapters 1, 2, 3, 4, and 9. | 35% | Date and time on the last page of the course outline. |
| Final Exam: chapters 5, 6, 7, 8, and 10 | 40% | Date and time on the last page of the course outline. |

NOTES:

- Missed tests/exams will receive a grade of zero unless the student has submitted and been approved for a **faculty approved** 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 (best five of six x 2% = 10%)

The **six** online assignments are based on content delivered asynchronously. The mark on the lowest assignment will be dropped.

Each assignment is worth 2 % of your final grade and 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 Pearson MyLab from 9:00 p.m. on **release date** until 11:59 p.m. on **close date**. If an MSAF is used for an assignment, then the 2% for that assignment will be added to the final exam. The online assignment dates are as follows:

| | Release Date | Close Date | Coverage |
|--------------|---------------------|-------------------|-----------------|
| Assignment 1 | May 8 | May 10 | Chapter 2 |
| Assignment 2 | May 13 | May 15 | Chapter 3 |
| Assignment 3 | May 15 | May 17 | Chapter 9 |
| Assignment 4 | May 22 | May 24 | Chapter 4 |
| Assignment 5 | May 31 | June 5 | Chapters 5 & 6 |
| Assignment 6 | June 7 | June 12 | Chapter 7 |

Midterm Exam (35%)

The in-person midterm 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. **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 must submit 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. Scrap paper will be provided.

Participation (15%)

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 (40%)

The final exam will be marked individually and will be for 2 ½ 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.

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. Scrap paper will be provided.

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.

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/>

COURSE MODIFICATION

From time to time there may be a need to remove/add topics or to change the schedule or the delivery format. If these are necessary, you will be given as much advance notice as possible.

ACADEMIC INTEGRITY

Students are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials earned are rooted in principles of honesty and academic integrity. **It is the student 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](#).

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.
-

COURSES WITH AN ON-LINE ELEMENT

This course uses the following on-line elements: e-mail, Avenue to Learn, Pearson’s MyAccountinLab, Top Hat, MS Teams, and occasionally either Zoom or Echo 360. Students should be aware that, when they access these elements, private information such as first and last names, usernames 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.

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, MS Teams, 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, Avenue to Learn 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

**Commerce 1AA3
Introduction to Financial Accounting
Spring 2024 Course Schedule**

| DATE | CHAPTER | ASSIGNMENT |
|--------------------|--|---|
| May 6 | Introduction & Chapter 1 | The Financial Statements |
| May 8 | Chapter 2 | Recording Business Transactions |
| May 13 | Chapter 3 | Accrual Accounting and the Financial Statements |
| May 15 | Chapter 9 | The Statement of Cash Flows |
| Mon May 20 | Victoria Day – No Classes | |
| May 22 | Chapter 4 | Cash and Receivables |
| Mon May 27 | Midterm Exam at 7pm for 2 hours – Chapters 1,2,3,4 & 9 in LRW B1007 | |
| May 29 | Chapter 5 | Inventory & Cost of Goods Sold |
| June 3 | Chapter 6 | Property, Plant, and Equipment, and Intangible Assets |
| June 5 | Chapter 7 | Current Liabilities |
| June 10 | Chapter 7 | Long-Term Liabilities |
| June 12 | Chapter 8 | Shareholders' Equity |
| June 17 | Chapter 10 | Financial Statement Analysis |
| Wed June 19 | Final Exam at 7pm for 2 ½ hours – Chapters 5, 6, 7, 8 & 10 in LRW B1007 | |