

ACC1002 AY2014-15 Semester 1 Module Outline

Teaching Team:

Module coordinator: Stephen Lynn

Lecturers: Stephen Lynn, Tan Wee Szu

Tutors: Cheong Sook Fun, Stephen Lynn, Tan Sok Jee Elaine, Tan Wee Szu

Aims and Objectives:

The course provides an introduction to financial accounting.

After successfully completing the module, you should be able to:

1. Explain the key features of the SFRS/IFRS conceptual framework for financial reporting
2. Perform the bookkeeping for the accounting cycle in a manual double entry system for a simple merchandising or service entity
3. Prepare the financial statements required by FRS 1 for a simple merchandising or service entity
4. Account for selected elements of financial statements—cash, accounts receivable, merchandising inventory, long-term assets, current liabilities, and shareholders' equity
5. Compute and interpret standard ratios for financial statement analysis

Teaching Modes:

Weekly 2-hour lectures and 1-hour tutorials

Attendance requirement: Students who missed three or more tutorials without valid reasons can be deemed to have failed the course. This is necessary as the learning is cumulative from week to week.

Assessment:

Component	Marks
<i>Tutorial and Team Participation (total 30 percent):</i>	
Group presentation of tutorial assignment (group)	5
Group project (group)	15
Contribution to class discussion in tutorials (individual)	10
<i>Test and Exam (total 70 percent):</i>	
Midterm test (week 8 TBC)	20
Final Examination	50

Syllabus:

1. **Overview of Financial Accounting**
 - a. Objectives of accounting
 - b. Accounting assumptions
 - c. Qualitative characteristics of accounting information
2. **The Financial Statements**
 - a. Objectives of financial statements
 - b. Users of financial statements
 - c. Components of financial statements
 - d. Elements in the financial statements, including general principles on recognition and measurement
3. **Processing Accounting Information**
 - a. Double entry bookkeeping system
 - b. Accrual versus cash accounting
 - c. Accounting recording cycle
 - d. Adjusting entries
 - e. Closing process
 - f. Chart of accounts, special journals and ledgers
4. **Accounting for Elements of Financial Statements**
 - a. Accounting for Cash and Accounts Receivable (including the requirement of specific provisioning under FRS 39)
 - b. Accounting for Merchandise Inventory
 - c. Accounting for Long-term Assets (including introduction to impairment, revaluation and intangible assets)
 - d. Accounting for Liabilities (including provisions and contingent liabilities; excluding accounting for long-term liabilities such as bonds and leases)
 - e. Accounting for Shareholders' Equity (incorporating the no-par-value shares regime and treasury shares; and including introduction to prior period adjustments under different circumstances.)
5. **Preparing Financial Statements**
 - a. Preparation of Statement of Financial Position (Balance Sheet), including current-noncurrent classification
 - b. Preparation of Income Statement portion of Statement of Comprehensive Income (including introduction to discontinued operations)
 - c. Preparation of simple Statement of Comprehensive Income (confined only to the following Other Comprehensive Income items: asset revaluation gains/losses; fair value adjustments of available-for-sale investments.)
 - d. Preparation of Statement of Changes in Equity
 - e. Preparation of Statement of Cash Flows (including both direct and indirect methods.)
6. **Basic Financial Ratio Analysis**
 - a. Types of financial ratios
 - b. Usefulness and limitations of financial ratios
 - c. Ratios to learn: liquidity ratios, solvency ratios, activity ratios, profitability ratios

Textbook: (compulsory)

Wild, Shaw, Chiapetta and Kwok, 2014, "Financial Accounting: Information for Decisions", 2nd Edition, Singapore: McGraw-Hill Asia