Introduction to Financial Accounting (1)

**Summer 2021/2022**

**Course sections: 1020111/51 Time: 9:15am & 1020111/02A Time: 10:30am**

**Building: BUA-S Floor: 00 Area: DG Room #1009**

Ali R. Almutairi, Ph.D.

Contact Information:

Location : Accounting Department – 4th Floor

Email :[almutairi.ali@ku.edu.kw](mailto:almutairi.ali@ku.edu.kw);

Office : 24837596

Office Hours : By appointment.

**Course Description:**

The ﬁrst of two courses that introduce the basic concepts, systems, terminology of ﬁnancial accounting, and procedures for preparing ﬁnancial statements, including problems of identiﬁcation, measurement and disclosure of main elements of ﬁnancial statements. Interpretation, analysis, and use of information communicated through ﬁnancial reports are emphasized.

**Course Learning Objectives (CLOs):**

This course is the first course in accounting. The course focuses on financial accounting and is designed to teach the concepts and procedures underlying the measurement and reporting of ﬁnancial information. This course is useful to the education of any student aspiring to a career as a professional accountant. In addition, this course provides valuable training for students whose career goals are in ﬁnance or other fields that are dependent on financial accounting and reporting as an important source of data.

Upon successful completion of the course, students will be able to:

**CLO1.** Use basic accounting terminology and the assumptions, principles, and constraints of the accounting environment.

**CLO2.** Identify the difference between accrual and cash basis accounting.

**CLO3.** Analyze and record business events in accordance with International Financial Reporting Standards (IFRS)

**CLO4.** Prepare adjusting entries and close the general ledger

**CLO5.** Introduction to the categories of the basic accounting equation (assets, liabilities, equity) and the accounts associated with these categories like account receivables, inventory, account payables, retained earnings and ordinary shares.

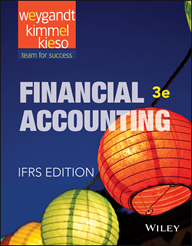
**CLO6.** Prepare financial statements in an appropriate IFRS format, including the following: income statement, balance sheet, statement of cash flows, and statement of shareholders’ equity.

**CLO Mapping to CBA Skill Based Competency Goals\***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| CLO | Competency Goal | | | |  |
| Analytical | Communication | Information Technology | Business Ethics | General Business Knowledge |
| 1 | R | I |  | I |  |
| 2 |  | I |  | I |  |
| 3 |  | I |  | I |  |
| 4 |  | I |  | I |  |
| 5 |  | I |  | I |  |
| 6 |  | I |  | I |  |

**Type of Emphases:**

* **(I) Introduce:** Students will be introduced to the skill and their grasp of it assessed in the course.
* **(A) Apply:** The course will not cover the skill. Students should have a high-level grasp of the skill and are required to apply it in the course.
* **(R) Reinforce:** Students should have an introductory-level grasp of the skill and the course will improve their mastery to a higher level.

**Required Material:** 

**Textbook** : Jerry J. Weygandt, Paul D. Kimmel and Donald E. Kieso

“Financial Accounting-IFRS Edition" 4th Edition, (John Wiley & Sons, Inc. 2011)

**Additional Material** : Other material is available on *Teams*

**E-Learning System** : *WileyPlus*

**Course Requirements and Policies:**

**Class Handouts & Homework Assignments:** Class handouts will be posted on the *Teams*. Homework assignments are posted on *WileyPlus*. It is a web-based assignment and assessment solution required for this course. It is designed to assist you with your coursework based on your needs. As outlined in this syllabus, assignments will make up a significant portion of your overall course grade. You can buy a code for the New Wileyplus through the following link <https://elearn.growmorelearn.com/kuniv/auth/signup?wiley=>. But you need to sign up with this site before you can buy the code.

Please be noted that it is your responsibility to check the *WileyPlus* website. Usually at the end of each chapter, a new assignment is posted. Homework assignments are to be done independently. You may, however, consult with your teaching assistants. Anyone who violates this rule will be handled in accordance with the university guidelines dealing with cheating.

**Examinations:** There will be a midterm, final, and few quizzes. The midterm and final examinations will be unified. Following each chapter there will be a quiz. All tests will be taken in class, and there will be no makeups.

**Class Preparation:** Please come to class prepared to work and learn. Bring your textbook and four-function calculator. Note that neither programmable calculators nor cell phones are allowed during exams. Students should check *Teams* for class information regularly; you are responsible for any information posted on *Teams*.

**Attendance and Participation:** Every student in this course must abide by the Kuwait University Policy on Attendance (published in the Student Guide, Chapter 3, Section 13). A copy of the student guide can be accessed online on:

<http://www.kuniv.edu/cs/groups/ku/documents/ku_content/kuw055940.pdf>

Be on time for the lecture. The class has a scheduled start time. You have registered for a class at this time, and I am allowed to start the class on time even if you have parking problems, trafﬁc issues, etc. If you cannot be in class on time, then please drop the class and enroll in a class that meets at another time more convenient for you. When students enter, exit and re-enter the classroom while class is in session it is disruptive to everyone. If something extraordinary occurs such as rapid onset of illness you should leave the classroom. Otherwise do not do so. If you decide to leave the classroom during class time you should take your belongings with you and not return that day. Students attend class — not to listen to other students talk and visit during the lecture. If your talking is noticeable to me, then it is to others also, and I will ask you to either stop talking or leave the classroom. Each student should tum off her mobile at the beginning of class. The entire issue of cell phones can be handled in one statement. Do not use your cell phone during this class — not for any purpose —- not for speaking, listening, texting, obtaining the time or as a calculator.There may be some legitimate reasons to use a laptop during this class. However, hiding behind the screen of your laptop is not legitimate. Please limit your in-class use of the laptop to entering your class notes. If you plan to use a laptop, then please also plan to sit on the front row so that you are not tempted to sit in the back of the classroom and surf the net or e-mail friends during class.

**Cheating and Plagiarism:** Every student in this course must abide by the Kuwait University Policy on Cheating and Plagiarism (published in the Student Guide, Chapter 3, Section 2). A copy of the student guide can be accessed online on:

http://www.kuniv.edu/cs/groups/ku/documents/ku\_content/kuw055940.pdf

All of the following acts will be considered as cheating:

* Presenting work that you copied from someone else as yours
* Talking to others during exams or quizzes
* Looking over someone else's exam during the exam or quizzes
* Using your mobile phone during exams or quizzes (regardless of what are you using it for)
* Communicating with anyone else during any quiz or exam

Students will be given an F for ALL their classes for that semester. Students can also be denied class registration for the next semester.

**Grading:**

The scores in this course will be the weighted average of the following items:

|  |  |
| --- | --- |
| **Weight** | **Description** |
| 15% | Homework |
| 5% | Participation & Attendance |
| 15% | Quizzes |
| 25% | Midterm Thursday 14/07/2022 During class time. |
| 40% | Final Exam Sunday 15/08/2022 08:00--10:00am. |
| 100% | TOTAL |

**Grade Distribution:**

|  |  |
| --- | --- |
| **Grade** | **Range** |
| A | ≥ 95 |
| A- | ≥ 90 and < 95 |
| B+ | ≥ 87 and < 90 |
| B | ≥ 83 and < 87 |
| B- | ≥ 80 and < 83 |
| C+ | ≥ 76 and < 80 |
| C | ≥ 73 and < 76 |
| C- | ≥ 70 and < 73 |
| D+ | ≥ 65 and < 70 |
| D | ≥ 60 and < 65 |
| F | < 60 |

**Course Outline:**

|  |  |
| --- | --- |
| **Title** | **Topics** |
| Chapter 1 | **Accounting in Action**  What is Accounting (4-5)  Who Used Accounting Data (5)  The Building Block of Accounting (6-11)  The Basic Accounting Equation (12-14)  Using the Accounting Equation (14-21)  Financial Statements (22-27) |
| Chapter 2 | **The Recording Process**  The Account (52)  Debit & Credit (52-56)  Steps in the Recording Process (57-70)  The Trial Balance (70-71)  Limitation of Trial Balance (71-72) |
| Chapter 3 | **Adjusting the Accounts**  Timing Issues (98)  Accrual Vs. Cash Basis Accounting (98)  Recognizing Revenues and Expenses (99-100)  The Basic of Adjusting Entries (100-116)  The Adjusted Trial Balance and Financial Statements (117-122)  Appendix 3B (126-129) |
| Chapter 4 | **Completing the Accounting Cycle**  Closing The Books (164-167)  Preparing a Post-Closing Trial Balance (168-171)  The Classified Statement of Financial Position (173-183) |
| Chapter 5 | **Accounting for Merchandising Operations**  Merchandising Operations (212-213)  Perpetual Inventory Systems (213)  Periodic Inventory System (214)  Recording Purchases of Merchandise (215-218)  Recording Sales of Merchandise (219-223)  Completing The Accounting Cycle in Merchandising Organization (224-225) |
| Chapter 6 | **Inventories**  Classifying Inventory (264)  Determining Inventory Quantities (265-268)  Inventory Costing (268)  Cost Flow Assumptions Under Periodic Inventory System (269-273)  Lower-of-Cost-or-Net Realized Value (275-276)  Inventory Cost Flow Methods in Perpetual Inventory System (Appendix 6A) (282-285) |
| Chapter 7 | **Fraud Internal Control, and Cash**  Cash Disbursement Control (328-329)  Betty Cash Fund Controls (329-332)  Control Features Use of Bank (333-335)  Reconciling The Bank Account (336-339) |
| Chapter 8 | **Accounting for Receivables**  Types of Receivables (368)  Recognizing Accounts Receivables (369)  Valuing Accounts Receivables (370-377)   * Direct Write-Off Method For Uncollectible Accounts * Allowance For Uncollectible Accounts   Notes Receivables (379-381)  Recognizing Receivables (381)  Valuing Notes Receivable (381)  Disposing of Notes Receivable (382-383) |

**\*This tentative schedule is subject to changes.**