

## ACC203: Financial Statements for Managers

### Syllabus Overview

This syllabus contains all relevant information about the course: its objectives and outcomes, the grading criteria, the texts and other materials of instruction, and weekly topics, outcomes, assignments, and due dates. Consider this your roadmap for the course. Please read through the syllabus carefully and ask questions if you would like anything clarified. Please print a copy of this syllabus for reference.

### Course Description

3 Credits

Prerequisite: None

This online course will enable the student to understand and apply the fundamental tools necessary to analyze a business' financial health effectively. The financial analysis process is approached from an analyst's point of view. You will learn how to determine the composition and quality of financial statement information; how to analyze the balance sheet, income statement, cash flow statement, and stockholders' equity. Also, the course will touch upon how to spread statements to ensure efficient and consistent financial statement analysis; how to calculate and apply commonly used ratios, including industry comparables; and how to access a business' financial health and determine its capacity to repay debt.

### Course Outcomes

At the completion of this course, students should be able to:

1. Illustrate the four financial statements and how they tie together.
2. Analyze how transactions affect the financial statements.
3. Describe the importance of fundamental financial statement analysis.
4. Interpret and summarize the role, use and various aspects of financial statements.
5. Employ the most frequently used financial ratios.
6. Investigate the current regulatory environment and the issues of corporate governance and ethics.
7. Describe how relevant cost analysis is used to support decision making.

### Communication with Your Instructor

You will receive a welcome email from your instructor prior to the start of class. This email will contain your instructor's contact information. Your instructor will also be communicating with you via several methods in the course, including:

- **Announcements** – This communication tool, located on the navigation menu within your course in Canvas, contains important updates. Be sure to check for new announcements from your instructor each time you access your course.
- **Q&A** – Use this discussion board, located on the Home screen in your course, to communicate with your instructor and classmates regarding general course questions (i.e. missing links, assignment clarification, etc.).
- **Inbox** – Use the Inbox, located in the top right corner of Canvas, to send a message to your instructor or classmates.

## Materials and Resources

Required or Supplemental Text or Resources:

Accounting: What the Numbers Mean, 12/e

David H. Marshall, Millikin University (Emeritus)

Wayne W. McManus, International College of the Cayman Islands

Daniel F. Viele, Webster University

## Bookstore Information

Textbooks are available from the Bookstore found at in the left-hand navigation of any canvas course.

## Library Services

Detailed information about the eLibrary can be found in the Student Resource Center. This is a course that all students have access to during their academic career.

## Canvas Help Desk and Technical Questions

If you experience technical issues in your course, please contact the Canvas Help Desk by clicking the Help link (top right corner within Canvas). There are 3 ways to contact them:

- Phone (888-628-2749)
- Live chat
- Report a problem (submit a ticket)

Be sure to notify your instructor of any technical difficulties you are experiencing.

Additional resources are available in the Student Resource Center and the Canvas Guides website:

<https://community.canvaslms.com/docs/DOC-4121>

## Weekly Schedule

<b>Week 1 Introduction to Accounting</b>	
Outcomes	<ol style="list-style-type: none"> <li>1. The definition of accounting.</li> <li>2. How to identify and describe different classifications of accounting.</li> <li>3. Why financial accounting standards are not a “fixed code of rules,” but are established in response to user needs and business developments. Accountants need to apply professional judgment in the application of accounting principles.</li> <li>4. The role and sources of ethics for the accounting profession.</li> </ol>
Readings	Chapter 1 - Accounting – Present and Past
Discussion	Users of Financial Information > A real-life example.
Assignments	Connect LearnSmart Assignment [Chapter 1] Connect Homework Assignment [Chapter 1]
Quiz	Connect Quiz [Chapter 1]
<b>Week 2 Financial Statements</b>	
Outcomes	<ol style="list-style-type: none"> <li>1. The four principal financial statements and their basic form.</li> <li>2. The terminology of financial statements.</li> <li>3. How the accounting equation is used.</li> <li>4. The concepts of financial accounting and financial statement presentation.</li> <li>5. Why the return on investment (ROI) calculation is a significant measure of investment performance, and why the expanded (DuPont) model using margin and turnover focuses on the two key components of investment performance—profitability and utilization of assets.</li> <li>6. The return on equity (ROE) calculation, and the significance of ROE.</li> <li>7. How to calculate and significance of working capital, the current ratio, and the acid-test ratio.</li> <li>8. Why some "rules of thumb" provide insight to the ratio measurements of specific companies.</li> </ol>
Readings	Chapter 2 – Financial Statements and Accounting Concepts/Principles Chapter 3 – Fundamental Interpretations Made from Financial Statement Data
Discussion	Financial Statements > timing is everything.
Assignments	Connect LearnSmart Assignment [Chapters 2 and 3] Connect Homework Assignment [Chapters 2 and 3]
Quiz	Connect Quiz [Chapters 2 and 3]

<b>Week 3 Bookkeeping and the Accounting Cycle</b>	
Outcomes	<ol style="list-style-type: none"> <li>1. How transactions affect the financial statements.</li> <li>2. Why a five-question approach is used for transaction analysis.</li> <li>3. Why using the financial statement horizontal model illustrates the impact of transactions on the financial statements.</li> </ol>
Readings	Chapter 4 – The Bookkeeping Process and Transaction Analysis
Discussion	The importance of reporting a profit > an ethical dilemma.
Assignments	Connect LearnSmart Assignment [Chapter 4] Connect Homework Assignment [Chapter 4]
Quiz	Connect Quiz [Chapter 4]
<b>Week 4 The Financial Statements – The Balance Sheet – Current and Noncurrent Assets</b>	
Outcomes	<ol style="list-style-type: none"> <li>1. How to analyze the transactions that affect current assets, and related income statement accounts, and to use the horizontal model to illustrate the effects of these transactions on the financial statements.</li> <li>2. The application of valuation and matching concepts in accounting for accounts receivable.</li> <li>3. The significance of inventories to many entities; the effect of the cost flow assumption and changing price levels on the balance sheet and income statement; and the impact of inventory errors on both the balance sheet and income statement.</li> <li>4. How the integration of accounting for current assets impacts profitability (ROI, ROE) and liquidity measurements.</li> <li>5. To have the student understand the major accounting issues with respect to noncurrent assets including the allocation of cost to expense over time, and the significance of capitalizing versus expensing an expenditure.</li> <li>6. How to use tables of present value factors of \$1 and for an annuity of \$1.</li> </ol>
Readings	Chapter 5 – Accounting for and Presentation of Current Assets  Chapter 6 – Accounting for and Presentation of Property, Plant, and Equipment, and Other Noncurrent Assets
Discussion	Internal Controls > sometimes they appear to just get in the way.
Assignments	Connect LearnSmart Assignment [Chapters 5 and 6] Connect Homework Assignment [Chapters 5 and 6]
Quiz	Connect Quiz [Chapters 5 and 6]

<b>Week 5</b>		<b>The Financial Statements, cont., the Balance Sheet, cont., - Liabilities and Stockholders' Equity</b>
Outcomes	<ol style="list-style-type: none"> <li>1. Why a principal concern about the liability section of the balance sheet is to ensure that liabilities are not understated; if liabilities are understated, then expenses will probably be understated as well, and net income will be overstated, which in turn would violate the concept of conservatism.</li> <li>2. Why the market value of a bond moves inversely with changes in interest rates.</li> <li>3. The concept of financial leverage.</li> <li>4. The major differences between common and preferred stock.</li> <li>5. To reinforce the student's understanding of retained earnings, and the transactions that affect this account.</li> <li>6. The nature and characteristics of cash dividends, stock dividends, and stock splits.</li> </ol>	
Readings	<p>Chapter 7 – Accounting for and Presentation of Liabilities</p> <p>Chapter 8 – Accounting for and Presentation of Stockholders' Equity</p>	
Discussion	Common Stock versus Preferred Stock > does it make a difference!	
Assignments	<p>Connect LearnSmart Assignment [Chapters 7 and 8]</p> <p>Connect Homework Assignment [Chapters 7 and 8]</p>	
Quiz	Connect Quiz [Chapters 7 and 8]	
<b>Week 6</b>		<b>The Financial Statements, cont., the Income Statement and the Statement of Cash Flows</b>
Outcomes	<ol style="list-style-type: none"> <li>1. How the material learned during the study of the balance sheet impacts net income and cash flows.</li> <li>2. The significance of the components and subtotals of the income statement and statement of cash flows.</li> <li>3. How to interpret a relatively straightforward statement of cash flows.</li> </ol>	
Readings	Chapter 9 – The Income Statement and Statement of Cash Flows	
Discussion	Financial Statements > is one more important than another?	
Assignments	<p>Connect LearnSmart Assignment [Chapter 9]</p> <p>Connect Homework Assignment [Chapter 9]</p>	
Quiz	Connect Quiz [Chapter 9]	
<b>Week 7</b>		<b>Supplemental Financial Statement Information</b>

Outcomes	<ol style="list-style-type: none"> <li>1. The current regulatory environment and the issues of corporate governance.</li> <li>2. The integration of the notes to the financial statements.</li> <li>3. Why the notes to the financial statements must be reviewed if the numbers in the financial statements are to be understood.</li> <li>4. The significance and meaning of the independent auditors' report, and why it is not a guarantee of company profitability or absolute accuracy of the financial statements.</li> <li>5. The integration of financial accounting concepts and reporting practices and the most frequently used financial ratios.</li> <li>6. Why the price/earnings ratio is relevant to personal financial management.</li> <li>7. How some of the broad "rules of thumb" form a perspective about the ratio measurements for specific companies.</li> </ol>
Readings	<p>Chapter 10 – Corporate Governance, Notes to the Financial Statements, and Other Disclosures</p> <p>Chapter 11 – Financial Statement Analysis</p>
Discussion	Corporate governance > Sarbanes-Oxley Act of 2002.
Assignments	<p>Connect LearnSmart Assignment [Chapters 10 and 11]</p> <p>Connect Homework Assignment [Chapters 10 and 11]</p>
Quiz	Connect Quiz [Chapters 10 and 11]
<b>Week 8</b>	<b>Decision Making</b>
Outcomes	<ol style="list-style-type: none"> <li>1. The difference in relevant cost analysis for short-run decisions, such as the special pricing decision, and discounted cash flow analysis to support long-run decisions, such as capital budgeting decisions.</li> <li>2. How capital budgeting deals with cash flows from activities that extend relatively far into the future, and why the application of present value techniques is necessary and appropriate.</li> <li>3. Distinguish between net present value method of evaluating capital expenditure proposals, and the profitability index approach to ranking proposals.</li> <li>4. Why that in addition to quantitative approaches to decision-making, management is also influenced by qualitative factors.</li> </ol>
Readings	Chapter 16 – Costs for Decision Making
Discussion	Decision making > not all costs are relevant.
Assignments	<p>Connect LearnSmart Assignment [Chapter 16]</p> <p>Connect Homework Assignment [Chapter 16]</p>
Quiz	Connect Quiz [Chapter 16]

## Grading and Evaluation

Your grades will reflect the way in which you present and support your topics and positions in the various learning activities used in this course. The grades will be based on the quality and quantity of your comments and responses in the various activities.

***Be sure to review the discussion and assignment rubrics in the course for specific grading criteria.***

The various graded activities are weighted as follows:

Course Element	% of Final Grade
Connect LearnSmart Assignments	10%
Connect Homework Assignments	30%
Connect Quizzes	20%
Discussions	40%
<b>Total</b>	<b>100%</b>

Students will be expected to meet all the deadlines of the class as indicated throughout the course and in the syllabus. This is primarily so we don't get behind in the course. In addition, discussions cannot overlap from one week to the next. This is to ensure that all discussions and submissions take place within the week they are scheduled in order to be of value to the entire class as well as to help you not get behind. If there are extenuating circumstances, you will need to communicate that to the instructor and make arrangements accordingly, if appropriate.

**Late Assignments:** Exceptions are to be determined by the instructor on a case-by-case basis. There will be no opportunities for extra credit.

## Learner Success Guidelines

These guidelines are provided to help you succeed in your coursework:

- Participate in the class introduction activity on the first day of class.
- Submit ALL assignments by the posted due dates and times.
- Check your emails daily.
- Contact Portal Help for logon problems or Canvas Help for technical issues with Canvas.
- Participate fully in all threaded discussions.
- Contact your instructor if you have questions about an assignment or need additional help completing your work successfully.

Academic dishonesty is grounds for dismissal from the program.

## Academic Policies

The following Academic Policies can be found in the [Student Resource Center](#).

## ACC203 Financial Statements for Managers

- Grading Criteria
- Reasonable Accommodations Policy
- Student Attendance Policy
- Academic Honesty and Integrity Policy
- Student Engagement and the Granting of Academic Credit
- Copyright Policy

### Caveat

The above schedule, content, and procedures in this course are subject to change. All policies are superseded by the latest College Catalog available on our website

<https://www.cambridgecollege.edu/student-rights-complaints-grievances/student-code-conduct>.