



## Shanghai Jiao Tong University

### ACC 311: Financial Accounting

**Term:** May 29 – June 23, 2017

**Instructor:** Zhenhua Chen

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**Class Hours:** Monday through Friday, 120 minutes each day

**Discussion session:** 2.5 hours each week

**Total Contact Hours:** 66 contact hours (45 minutes each, 3000 minutes in total)

**Credit:** 4 units

#### Course Description

An introductory course providing an overview of generally accepted accounting principles applied to corporate financial reporting. The emphasis is on the preparation and interpretation of the principal financial statements: the balance sheet, the income statement, and the statement of cash flows. The course explores the various accounting choices available to management and the strategies used in financial disclosure. The course is divided into three parts:

##### Part A. Recording & Processing Financial Transactions

This part introduces the basic disclosure requirements for publicly traded companies including management's discussion & analysis, financial statements, footnotes, and auditors' opinion and provides an overview of generally accepted accounting principles. It describes the processes of the accounting cycle from transaction analysis and data entry to adjusting and closing entries and their impact on the accounting system. The emphasis is on accrual accounting as compared to cash basis accounting.

##### Part B. Reporting & Disclosure Options for Major Elements of Financial Reports

This part focuses on specific elements of financial reports with a view to illustrating variations in interpretation and reporting available to management and their impact on reported earnings and cash flow. A distinction is made between recurring and nonrecurring income and various approaches to recognition and valuation of assets and liabilities are explored.

##### Part C. Analyzing & Interpreting Financial Reports

Once basic disclosure requirements are understood, students are in a position to begin the process of analyzing and interpreting financial reports. Vertical and horizontal analysis are performed and the most common ratios are calculated including profitability ratios, efficiency ratios, liquidity ratios, solvency ratios, and market value ratios. Attention is also paid to the construction and basic interpretation of the statement of cash flows.



### Required Text

*Financial Accounting*, Belverd E. Needles, Jr. and Marian Powers, South-Western Cengage Learning 11th Ed. (2012) ISBN-13: 9780538476010 (eBook available via [www.coursesmart.com](http://www.coursesmart.com) )

### Class Structure and Learning Tips

Mastering financial accounting in only FOUR WEEKS is not an easy task and requires hard work and discipline. Think about this course as a swimming summer camp. Can you learn how to swim by observing your coach swim every day? Absolutely not! You need to spend time in the pool. That means reading books and doing homework on a daily basis.

To help you optimize your time, I advise the following strategy when preparing for class. You are encouraged to read related chapter *before* coming to class. Reading and thinking about the material on your own or in group ahead of class is where you master the material and figure out what parts of the topic you do not understand . The textbook provides conceptual foundations for the financial reporting topics that we will study along with detailed coverage on the mechanical accounting for those issues. In class we will go over the slides. We usually follow this order: (1) understand the economics of the class topic; (2) “journalize” the economics of the topic using examples; (3) observe how accounting translates into real world financial reports. After class, be sure you can read through the lecture slides and understand what we’ve done in class. Then do the *homework exercises* to evaluate what you have learned.

### Grading Policy

Your grade will be determined based upon your performance on the following items:

Class Attendance	10%
Participation and Professionalism	10%
Homework	10%
Midterm Exam	30%
Final Exam	40%

Number grade	Letter grade	GPA
90-100	A	4.0
85-89	A-	3.7
80-84	B+	3.3
75-79	B	3.0
70-74	B-	2.7
67-69	C+	2.3
65-66	C	2.0
62-64	C-	1.7
60-61	D	1.0
≤59	F (Failure)	0



### **Attendance**

Summer school is very intense and, to be successful, students need to attend every class session. Occasionally, due to illness or other unavoidable circumstances a student may need to miss a class. SJTU policy requires a medical certificate to be excused. Any unexcused absences may impact the student's grade. Moreover, SJTU policy is that a student who has missed more than one-third of the classes (6 class times) of a course will fail the course.

### **Homework**

Homework assignments are indicated in the Topical Outline and are due at the **beginning of class**. Students may work in groups but must submit their own individual write-ups. Grading of homework will be on an 'efforts only' basis. Late homework submissions and electronic copies will not be accepted.

### **Exams**

All exams will be held in class (or at a location to be announced) and are 'closed book'. Calculators may be used but accessing the Internet, using e-mail or any other text-messaging devices, such as cell phones or PDAs, will not be allowed. Exams must also be taken at the scheduled time. There will be no make-up exams.

### **Plagiarism & Fraud**

Cheating on exams and homeworks will not be tolerated. Evidence of cheating or submission of homework that is not the product of your own work will result in a score of zero. Repeated occurrences may result in disqualification.

### **Class Conduct**

I expect you to be **punctual** arriving for class. All **cell phones** must be turned off or put on silent mode, and put them away before the start of class. **Laptops/Tablets** are not allowed in the class without permission.

I will sometimes cold call on you to answer review questions or solve practice examples. Therefore, be prepared in advance for the material.



Course Schedule (*Tentative and subject to change*)

<u>Date</u>	<u>Topic</u>	<u>Chapter</u>	<u>Homework Due</u>
May 29	Introduction and course overview	Chapter 1	
May 30	Basic Financial Statements	Chapter 1	
May 31	Transaction Analysis	Chapter 2	P1-2, P1-4, P1-5
June 1	Transaction Analysis	Chapter 2	
June 2	Accrual Accounting	Chapter 3	P2-2, P2-4
June 5	Accrual Accounting	Chapter 3	
June 6	Financial Reporting & Analysis	Chapter 4	P3-2, P3-4
June 7	Operating Cycle & Merchandising	Chapter 5	
June 8	<b>Review</b>	Chapters 1-4	P4-1, P4-2, P4-3
June 9	<b>Midterm Exam</b>	Chapters 1-4	
June 12	Inventories	Chapter 6	P5-2, P5-4
June 13	Cash & Receivables	Chapter 7	P6-2, P6-3
June 14	Current Liabilities	Chapter 8	P7-1, P7-2, P7-3
June 15	Long-Term Assets	Chapter 9	P8-2, P8-4



June 16	Long-Term Liabilities	Chapter 10	P9-1, P9-2, P9-4, P95
June 19	Stockholders' Equity	Chapter 11	P10-1, P10-3, P10-4, P10-5
June 20	Investments	Chapter 14	P11-2, P11-4, P11-5
June 21	Statement of Cash Flows	Chapter 12	E14-3, E14-4, E14- 12
June 22	<i>Review</i>	Chapters 5-12 & 14	P12-2, P12-3
June 23	<i>Final Exam</i>	Chapters 5-12 & 14	