

ACCT 2010E: PRINCIPLES OF ACCOUNTING II
COURSE SYLLABUS
CREDIT: 3 UNITS

COURSE DESCRIPTION

Accounting as an effective aid to management in the control of resources; continuous process cost system, reports to management; budgets, long-range planning; and cost/volume/profit analysis. Accounting changes and error analysis. Extensive utilisation of computer applications in accounting.

Prerequisite: ACCT 1010.

COURSE OBJECTIVE

To introduce accounting as an effective aid to Management in planning, controlling and decision making and to equip the students with basic tools of analysis used in a wide variety of business decisions.

COURSE CONTENT

Week 1

Introduction

- Accounting as an information system.
- Management Use of Accounting Information
- Difference between Financial Accounting and Management Accounting.

Week 2

Analysis and Interpretation of Financial Statements

- Overview of Corporate Financial Statements - owners equity
- Objectives of Analysis

Week 3

- Techniques of Analysis
- *Trend analysis
- *Cross-sectional Analysis
- *Ratio Analysis

Week 4

Cashflow Statements

- Importance of Cash

Week 5

- Differences between Net Income and Net Cashflow
- Cashflow Statement

Week 6

Cost/Volume/Profit Analysis

- Cost Behaviour Patterns
- Break-even analysis

Week 7

MID-SEMESTER EXAMINATION

Week 8

- Sensitivity analysis
- Contribution margin income statement
- Critical review of the CVP model

Week 9

Introduction to Budgeting

- Objectives of budgets
- Types of budgets

Week 10

- Financial Budget (emphasis)
- Standard costs and flexible budgets
- Basic variance analysis

Week 11

Responsibility Accounting and Control

- Responsibility Centres
- Evaluating Responsibility Centre Performance

Week 12

Cost Accounting System

- Basic Manufacturing Costs
- Product and period costs

Week 13

- Job-order cost systems
- Process cost systems

Week 14

END OF SEMESTER EXAMINATION

TEACHING METHODOLOGY

The course will be conducted mainly by way of lectures, class discussion and problem-solving sessions.

COURSE TEXTS

Meigs, W.B. and Meigs, R.F. *Accounting: The Basis for Business Decision* 10th Edition. (New York: McGraw-Hill, 1996)

Hornngren C.T. and Sundem G.L. *An Introduction to Management Accounting* 7th Edition. (New Delhi: Prentice Hall, 1984.)

* Other materials will be distributed or assigned by the instructor from time to time.

COURSE EVALUATION

Take home assignments	30%
Class attendance and participation	10%
Mid-Term Exam	30%
Final Exam	<u>30%</u>
Total	<u>100%</u>

GRADING

90	-	100	A	74	-	77	C+
87	-	89	A-	71	-	73	C
84	-	86	B+	68	-	70	C-
81	-	83	B	64	-	67	D+
78	-	80	B-	61	-	63	D
				Below 59			F