

**OSTİM TECHNICAL UNIVERSITY
FACULTY OF ECONOMICS AND ADMINISTRATIVE SCIENCES**

**COURSE SYLLABUS FORM
2021-2022 FALL**

ITF 203 Financial Accounting							
Course Name	Course Code	Period	Hours	Application	Laboratory	Credit	ECTS
Financial Accounting	ITF 203	1	3			3	5

Language of Instruction	English
Course Status	Compulsory
Course Level	Bachelor
Learning and Teaching Techniques of the Course	Lecture, Question-Answer, Problem Solving

Course Objective
<p>The main objective of the course is to help the professional students understand and learn the basic accounting principles, how business transactions affect the basic corporate financial statements (F/Ss), and how to prepare, read, and analyze these F/Ss and annual reports as an aid in making informed financial decisions. The course also emphasizes alternative accounting methods used in reporting certain business transactions and how this may hamper the quality of the reported earnings and its ethical implications. Throughout, the students will be exposed to basic business terminology they will encounter in future courses and in the business world.</p>

Learning Outcomes
<p>On successful completion of this course, candidates should be able to:</p> <ul style="list-style-type: none"> • Explain the context and purpose of financial reporting • Define the qualitative characteristics of financial information • Demonstrate the use of double-entry and accounting systems • Record transactions and events • Prepare a trial balance (including identifying and correcting errors) • Prepare basic financial statements for incorporated and unincorporated entities. • Prepare simple consolidated financial statements • Interpretation of financial statements

Course Outline

The course provides a short introduction to financial reporting and financial statement analysis, with an emphasis on how financial information is reported to users external to the firm and how it helps in their resource allocation decisions. The topics covered include how to record all kinds of business transactions, the accrual basis which is at the heart of financial reporting, detailed content and format of the four basic F/Ss (balance sheet, income statement, statement of changes in owner's equity, and cash-flow statement), including common size financial statements and trend analysis; the effect of different accounting methods (such as valuation of inventories and cost of the goods sold; depreciation of plant assets etc.) on the financial statements. Finally, analysis of financial statements by using financial ratios will be covered.

Weekly Topics and Related Preparation Studies

Weeks	Topics	Preparation Studies
1	The scope and purpose of, financial statements for external reporting Accounting cycle Accounting concept and convention	Understand key accounting concepts, terms, and principles
2	The Accounting Equation	Demonstrate how different transactions impact the accounting equation
3	The use of double-entry and accounting systems	Double-entry book-keeping principles including the maintenance of accounting records and sources of accounting information Ledger accounts, books of prime entry, and journals
4	Adjusting Journal Entries	Record advanced business transactions as journal entries
5	Recording of transactions; accrual vs. cash basis of accounting, basic accrual adjustments and their effects on F/S, <ul style="list-style-type: none">• Sales and purchases• Cash	Record sale and purchase transactions in ledger accounts. Understand and record sales and purchase returns. Record cash transactions in ledger accounts. Understand the need for a record of petty cash transactions.
6	<ul style="list-style-type: none">• Inventory• Tangible non-current assets	Recognise the need for adjustments for inventory in preparing financial statements. Record opening and closing inventory
7	<ul style="list-style-type: none">• Depreciation• Intangible non-current assets and	Understand and explain the purpose of depreciation. Calculate the charge for depreciation

	amortisation • Accruals and prepayments	using straight line and reducing balance methods.
8	MIDTERM EXAM	
9	• Receivables and payables • Provisions and contingencies • Capital structure and finance costs	Explain and identify examples of receivables and payables. Identify the benefits and costs of offering credit facilities to customers.
10	Users of financial reports; the basic format and contents (accounts) of the basic financial statements (Balance-sheet income statement and changes in stockholders equity statement) Financial Statements	Understand where financial statement information originates
11	Trial balance Balance sheet	Understand the content and purpose of the balance sheet See how the trial balance is used to create the balance sheet and income statement
12	Income statement Statements of cash flows	Understand the content and purpose of the income statement
13	Preparation and analysis of cash flow statement.	Use the statement of cash flows to evaluate the financial health and life cycle stage of a business
14	Merchandising transactions, Inventory and COGS valuation, alternative accounting methods and impact on F/Ss.	Taxation and government intervention Producer and consumer surplus Burden of taxation
15	Plant assets and depreciation, effect on F/Ss.	Total utility, marginal utility, diminishing marginal utility, utility maximization Income and substitution effects
16	FINAL EXAM	

Textbook(s)/References/Materials:

TEXTBOOK: Harrison, Horngren, Thomas & Tietz, Financial Accounting, 11th edition, Pearson, 2018, ISBN-13: 978-1292211145

Assessment		
Studies	Number	Contribution margin (%)

Attendance		
Lab		
Classroom and application performance grade	1	20
Field Study		
Course-Specific Internship (if any)		
Quizzes / Studio / Critical		
Homework		
Presentation		
Projects		
Report		
Seminar		
Midterm Exam/Midterm Jury	1	30
General Exam / Final Jury	1	50
Total		100
Success Grade Contribution of Semester Studies		50
Success Grade Contribution of End of Term		50
Total		100

Relationship Between Course Learning Outcomes and Program Competencies						
Nu	Learning Outcomes	Contribution Level				
		1	2	3	4	5
1	To understand the scope and purpose of financial statements for internal and external reporting.					x
2	To use the accounting equation and explain meaning of assets, liabilities and owners equity.					x
3	To learn double-entry book-keeping principles including the maintenance of accounting records and sources of accounting information.					x
4	To learn record advanced business transactions as journal entries.					x
5	To learn record advanced business transactions as journal entries.					x
6	To learn record sale and purchase transactions in ledger accounts.					x
7	To understand and explain the purpose of depreciation.					x
8	To explain and identify examples of receivables and payables.					x
9	To understand where financial statement information originates.					x
10	To understand the content and purpose of the balance sheet, income statement, statements of cash flows					x
11	To learn total utility, marginal utility, diminishing marginal utility, utility maximization, income and substitution effects.					x

ECTS / Workload Table			
Activities	Number	Duration (Hours)	Total Workload
Course hours (Including the exam week: 16 x total course hours)	16	3	48
Laboratory			
Application			
Course-Specific Internship			
Field Study			
Study Time Out of Class	16	2	32
Presentation / Seminar Preparation			
Projects			

Reports			
Homeworks			
Quizzes / Studio Review			
Preparation Time for Midterm Exams / Midterm Jury	1	2	2
Preparation Period for the Final Exam / General Jury	1	2	2
Total Workload	(84/25 = 3,3)		84