

University College of the Cayman Islands

ASSOCIATE DEGREE SYLLABUS

COURSE NAME: FINANCIAL ACCOUNTING

COURSE #: AC 201

COURSE DESCRIPTION

This course places emphasis on the accounting principles and procedures as applied to Partnerships and Corporations. Topics include the equity structure of Partnerships and Corporations, long-term liabilities, common stocks, bonds, and statements of cash flows, accounting ratios, and financial statement analysis.

Credits: 3

Prerequisite: AC 121 or Permission of Lecturer

COURSE OBJECTIVES

This course is intended to enable the student to:

1. To be able to read, understand, interpret and analyze financial statements in textbook cases and in the real world of business.
2. To be able to prepare the financial statements of both partnerships and corporations according to the accounting standards
3. To be able to deal effectively with the bookkeeping entries.
4. To be able to perform financial analysis.
5. To be able to do statements of cash flows, and understand business, government and other entities.

COURSE OUTLINE

I Review Session

Basic accounting, concepts, techniques and conventions
The balance sheet and profit and loss statement

II Partnerships

The capital and current account
The appropriation account
Goodwill and change in partnership
Dissolution of partnership

- III Accounting for Long-term Liability**
 - Bonds payable
 - Present value concept
 - Bonds payable and sinking fund
 - Balance sheet presentation of bond payable and bond investment

- IV Corporations**
 - Nature of a corporation
 - Paid-in capital
 - Issuing stock
 - Accounting for dividends
 - Appropriations and retained earnings
 - Statement of stockholders equity

- V Corporation Earnings, International Transactions, and Investment in Stocks**
 - Corporate taxes
 - Discontinued operations
 - Extraordinary items
 - Changes in accounting policy
 - Earnings per share
 - Foreign currency gains or losses
 - Prior year adjustment
 - Investment in stocks

- VI Statement of Cash Flows**
 - Purpose of the statement of cash flows
 - Reporting of cash flows
 - Statement of cash flows – The indirect method
 - Statement of cash flows – The direct method

- VII Annual Reports and Financial Statements Analysis**
 - Liquidity ratios
 - Profitability ratios
 - Leverage ratios
 - Case study

ASSESSMENT

Course Assignments/Classwork	-	20%
Mid-Semester Examination	-	20%
Final Examination	-	60%
Total		100%

REQUIRED TEXT

The following textbook(s) will be used for this course:

1. **Warren, Reeve And Fess**, *Financial & Managerial Accounting 7th Edition*, SouthWestern Publishing Co

References

1. **Indeike and Smith**, *Financial Accounting*, John Wiley and Sons
2. **Meigs and Meigs**, *Financial Accounting, 6th Edition*, McGraw Hill Publishing
3. **Marshall and McManus**, *Accounting, 3rd Edition*, Times Mirror Higher Education Group
4. **Weygandt, Kieso and, Trenholm**, *Accounting Principles 1st Edition*, John Wiley