

Near East University

**Faculty of Economics and Administrative Sciences**

**acc 203 – Financial accounting II**

**Course Outline**

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| **Classroom**: Faculty Building, R 117 | | **Course Schedule**: Monday, 13:30-16:30 | |
| **Instructor** : Assist. Prof. Dr. Veclal GÜNDÜZ  **Office Hours** : Monday, 16:30-17:30 (by appointment) **E-mail**: [veclal.gulay@neu.edu](mailto:veclal.gulay@neu.edu).tr | | | |
| **Textbook**: **Financial & Managerial Accounting, 14th or 15th Edition,** Williams, Haka, Bettner, Carcello, ISBN: 0-07-018189-2, Publisher: McGraw-Hill | | | |
| **Further Reading**: **Accounting**, Horngren, Harrison, Oliver, 7th or 8th Edition. ISBN: 0-13-609342-8, Publisher: Pearson-Prentice Hall  **Financial Accounting**, Spiceland, Thomas, Herrmann, 2nd Edition, ISBN: 978-0-07-108838-1, Publisher: McGraw-Hill | | | |
| **Prerequisites**:  Financial Accounting I | **Semester**: 4 (2nd year) | | **Course credit**: 3 |
| **Language of Education**: English | **Type of Course**: Compulsory | | **Level of Course**: Undergraduate |

### Course Description

### This course is comprised of the following topics: Accounting for Marketable Securities, Generally Accepted Accounting Principles, Plant and Intangible Assets, Liabilities, Stockholders’ Equity: Paid-in Capital, Income and Changes in Retained Earnings, Statement of Cash Flows and Financial Statement Analysis.

### Course Objectives

This course helps students learn the basics of financial accounting by providing a solid presentation of the root of the principles course, the accounting cycle. Financial Accounting helps students build a foundation upon which they’ll continue to learn and grow in their study. Students who take financial accounting I and II know where the numbers come from and how to find the financial information they need to make important decisions.

### Learning Objectives

1. Account for Marketable Securities, Determine the cost of plant assets, compute depreciation by the straight-line, units of output, declining balance and sum-of –the-year digits methods.
2. Account for disposal of plant assets and explain the nature of intangible assets including goodwill and the cash effects of transactions involving plant assets.
3. Define liabilities and distinguish between current and long-term liabilities and account for notes payable and interest expense.
4. Prepare an amortization table allocating payments between interest and principal.
5. Account for bonds issued at discount or premium.
6. Discuss the advantages and disadvantages of organizing a business as a corporation and explain the rights of stockholders and the roles of corporate directors.
7. Account for paid-in capital and prepare the equity section of a corporate balance sheet and contrast the features of common stock with those of preferred stock.
8. Discuss the factors affecting the market price of preferred stock and common stock, and explain the significance of par value, book value, and market value of capital stock.
9. Explain the purpose and effects of a stock split and accounting for treasury stock transactions.
10. Describe how discontinued operations, extraordinary items and accounting changes are presented in the income statement.
11. Compute earnings per share, account for cash dividends and stock dividends and explain the effects of these transactions on a company’s financial statements.
12. Describe and prepare statement of retained earnings and define prior period adjustments and explain how they are presented in financial statements.
13. Describe and prepare the statement of stockholders’ equity
14. Explain the purpose and uses of statement of cash flows and describe how cash transactions are classified in a statement of cash flows.
15. Compute the major cash flows relating to operating activities, investing activities and financing activities.
16. Explain why net income differs from net cash flows from operating activities.
17. Explain the uses of dollar and percentage changes, trend percentages, component percentages and ratios.
18. Discuss the quality of a company’s earnings, assets and working capital and explain the nature and purpose of classifications in financial statements.
19. Prepare a classified balance sheet, multiple-step/single-step income statement and compute the ratios widely used in financial statement analysis and explain the significance of each.

**Learning Outcomes**

Learning outcomes in this course include, understanding accounting for marketable securities, being able to calculate depreciation for plant assets and reflecting it to the income statement and balance sheet, understanding the accounting for disposal of plant assets, knowing the liabilities including accounting for bonds payable, understanding the preparation and analysis of stockholders’ equity section of the balance sheet, knowing how to prepare the statement of retained earnings and statement of stockholders equity, understanding the preparation of the statement of cash flows and being able to analyze financial statements from the viewpoints of common stockholders, creditors and others.

#### Course Assessment

Grades in this course will be assigned according to the following criteria:

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| --- | --- |
| Mid-term Examination : | 30% |
| Final Exam : | 50% |
| Case Studies & Homework : | 10% |
| Quiz & Attendance : | 10% |
| Total: | 100% |

**Course Requirements and Policies**

Participation in class discussions is stiffly encouraged and considered as potential bonus points. Please make sure that you attend at least 70% of the courses.

#### Tentative Syllabus

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| --- | --- | --- |
| Week | Chapter | Topic |
| 1 | 6 | Merchandising Activities |
| 2 | 6 | Merchandising Activities (exercises) |
| 3 | 8 | Inventories and COGS |
| 4 | 8 | Inventories and COGS (exercises) |
| 5 | 9 | Plant and Intangible Assets |
| 6 | 9 | Plant and Intangible Assets (exercises) |
| 7 | 6, 8, 9 | Revision |
| 8 |  | **Mid Term Examination** |
| 9 | 10 | Liabilities |
| 10 | 10 | Liabilities (exercises) |
| 11 | 11 | Stockholders’ Equity: Paid-In Capital |
| 12 | 11 | Stockholders’ Equity: Paid-In Capital (exercises) |
| 13 | 13 | Statement of Cash Flows |
| 14 | 13 | Statement of Cash Flows (exercises) |
|  |  | **Final Examination** |

**Guidelines For Assignments, Case Studies:**

**Specific**

1. All assignments (homework) will be typed and printed on an A-4 paper and submitted in a plastic folder file.
2. Leave a left margin on each page, wide enough for grading, and use one side of the page only.
3. Each problem and its parts should be properly labeled, and should appear in same order as in the assignment sheet. This is not necessary in the exams.

**General**

1. Homework should be clearly written on a white paper, with a cover page. They should be in a form that would be acceptable to your future employer. Sloppy work will not be accepted.
2. Late assignments will not be accepted for initial credit unless you have an authorized written excuse. Late assignments within acceptable dates will be graded with a 20% discount. No homework can be accepted after the return of corrected homework.
3. Individual work must reflect an individual’s effort, Group work is expected to be the joint work of the group, neither of an individual nor other outside the group. Do not copy from others. Academic dishonesty carries a penalty that may range from receiving a grade of zero to expulsion from the University. More on this is in school regulation.