

School of Accounting and Finance
AFM 101: Introduction to Financial Accounting
Fall 2012
Course Syllabus

Course Instructors:

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Course Administrator:

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Course Description:

AFM 101 is an introductory course in financial accounting. This course emphasizes accounting and reporting for users external to a business such as shareholders, creditors, analysts, and the general public. Financial reporting uses a fairly standard set of financial statements to communicate information so the objective of the course is to provide you with a basic understanding of the use, preparation, and interpretation of financial statements.

AFM 101 is a prerequisite to AFM 102, Introduction to Managerial Accounting. Managerial accounting focuses on providing financial information to assist managers in the operation of the business. Thus, managerial accounting focuses on financial information for insiders while financial accounting focuses on reporting to external parties. AFM 101 is a prerequisite for subsequent courses in financial accounting. AFM 101 is an anti-requisite for AFM 123, Accounting Information for Managers.

Lecture Schedule:

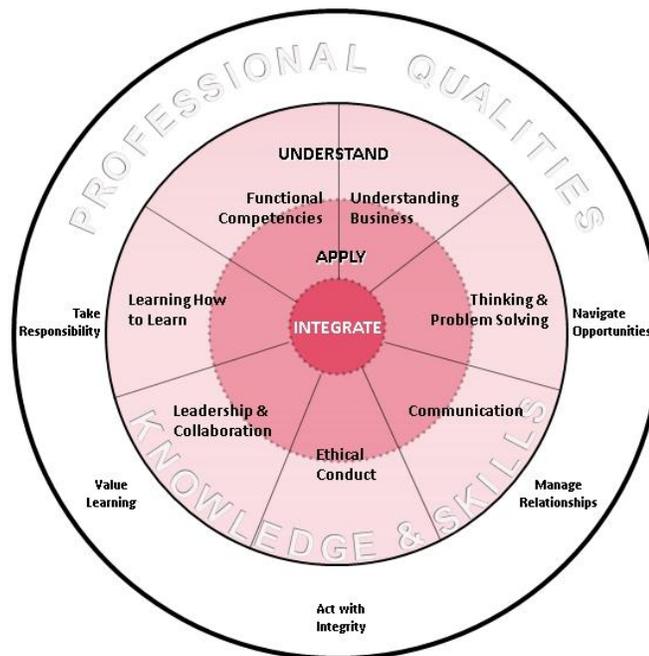
Section	Time	Location	Instructor
1	8:30 - 9:20 MWF	HH 1101	Professor Kennedy
2	9:30 - 10:20 MWF	HH 1101	Professor Kennedy
3	10:30 - 11:20 MWF	HH 1101	Professor Baloria
4	11:30 - 12:20 MWF	HH 1101	Professor Psutka
5	12:30 - 1:20 MWF	HH 1101	Professor Psutka
6	3:30 - 4:20 MWF	HH 1101	Professor Kennedy

Tutorial Schedule:

Time	Tutorial Number	Location	Instructor	Tutorial Number	Location	Instructor
9:30 F	101	HH 1104	Shazma Butt	107	HH 1108	Andrew Leung
10:30 F	102	HH 1104	Shazma Butt	108	HH 1108	Andrew Leung
11:30 F	103	HH 1104	Arnold Hang	109	HH 1108	Jennifer Cheung
12:30 F	104	HH 1104	Arnold Hang	111	HH 1108	Jennifer Cheung
1:30 F	105	HH 1104	Orville Thompson	110	HH 1108	Dylan Corey
2:30 F	106	HH 1104	Orville Thompson	112	HH 1108	Dylan Corey

Program Goals:

Programs delivered by the School of Accounting and Finance (SAF) are designed to provide students with the competencies, professionalism and practical experience that they need to excel in their chosen careers. With this in mind, SAF programs (and courses within the programs) are created to deliver the knowledge, skills and competencies identified in the School Learning Model illustrated below.



Course Learning Objectives:

By the end of the term, you should be able to do the following at an introductory level:

1. Define and use the terminology of financial accounting
2. Define and apply the principles of financial reporting, including an understanding of the role of professional judgement
3. Record business transactions
4. Prepare financial statements
5. Analyze financial statements
6. Recognize the value of the School of Accounting and Finance 3 P's – prepare, participate and practice

Teaching Methods:

- Read assigned textbook chapter and/or articles before lectures
- Attempt assigned problems before lectures and tutorials
- Interactive lectures including discussion of problems
- Tutorials

Course Resources:

Libby, Robert, Patricia A. Libby, Daniel Short, George Kanaan, and Maureen Gowing. *Financial Accounting*. 4th Canadian edition. Toronto: McGraw-Hill Ryerson Limited, 2011.

This textbook is available at the UW Bookstore in two formats: (1) a hardcover textbook bundled with the Connect study aid package and Lyryx Access Code, or (2) an electronic eBook bundled with the Connect study aid package and Lyryx Access Code.

Baloria, Vishal, Duane Kennedy, and Donna Psutka. *AFM 101 Course Readings, Fall 2012*. Available in the UW Bookstore.

Lyryx Access Code: The access code is available in the UW Bookstore either separately (through the Now Prepay service at the Bookstore cash registers at a cost of \$49.95 plus HST) or in a package with the Libby et al. textbook. The access code on this card is used to register with Lyryx to complete the online assignments. Students can register directly through the Lyryx website at a cost of \$49.95 plus GST.

Waterloo LEARN is a web-based learning management system used to communicate information such as the course syllabus, weekly class material, and exam material. It contains discussion boards to communicate with the TAs. Students should check LEARN regularly.

McGraw-Hill provides additional resource material online through the *Connect* program at <http://www.mcgrawhillconnect.com/>. *Connect* is a web-based study program that includes an eBook, chapter quizzes, and interactive learning tools. *Connect* is included with the print version or the eBook version of the textbook sold at the UW Bookstore.

Assessment:

Assessment Method	The final grade will be calculated as the greater of Method 1 and 2	
	Method 1	Method 2
Assignments	10%	10%
Midterm Examination	35%	10%
Final Examination	<u>55%</u>	<u>80%</u>
	100%	100%

Assignments:

Student success is highly correlated with ongoing preparation. Our experience is that students who prepare consistently during the term do better than students who “cram” for exams. The readings and problems are chosen to help you prepare for the lectures and become familiar with the topics. The assignments are used to give students practice with the concepts. The assignments are completed on-line

using the Lyryx system. Due dates will be announced in LEARN. Assignments are due at 11:59 pm on the given date.

A no cost alternative to the Lyryx assignments is available for students upon request. The no cost alternative is a similar set of assignments that must be completed on paper manually by the student and will be graded manually by TAs. The alternative non-Lyryx assignments have the same due dates. Late assignments will not be graded and will be assigned a grade of zero. We encourage you to discuss this alternative with the instructor before selecting it. If you wish to select the non-Lyryx assignment alternative, you must inform your instructor by email no later than Friday, September 21.

There are a total of 10 assignments during the term. We will discard the lowest assignment mark and then calculate the average grade, assigning equal weight to the remaining 9 assignments.

The assignment must be the work of the individual student. A student may talk to the professors, tutorial leaders or fellow students for assistance in understanding concepts but must complete the assignment themselves. Note that completing an assignment for another student or allowing another student to complete an assignment for you is an academic offense.

Mid-term and Final Examinations:

You should expect to be tested on all material including: text, course readings package, assignments and discussions in the lectures and tutorials. A mid-term examination of 90 minutes duration is scheduled for **Thursday, October 18, from 6:30 pm to 8:00 pm**. The locations will be announced later. **Note that students must write the examination in the assigned location.** This examination will include all material covered prior to the date of the examination.

The final examination will be two and one-half hours duration and will be scheduled by the Registrar's Office during the **Fall term examination period** (December 6 to 20). The final examination is comprehensive, covering material throughout the course.

A student must pass the weighted average of the mid-term and final examinations (using whichever weighting algorithm gives the higher grade) in order to pass the course.

Students must bring photo identification (preferably their Watcard) to the mid-term and final examinations. If a student starts to write an examination without photo identification, the examination will not be graded and a mark of 0 will be assigned.

All examinations must be the exclusive work of the individual student.

Written requests for re-grading the mid-term examination must be made **within one week after the examination has been returned**. A written request must be submitted indicating your reasons for believing that a question was improperly graded. The instructor reserves the right to re-grade the entire examination. *“Faculty of Arts policy provides that students who wish to review their final examination papers informally may do so without instituting a formal appeal procedure. Such review will take place under supervised access only, and will be arranged in a way that is mutually convenient for the instructor and the student.”*

Course Policies:

Release of Grades

Grades will be released through the course site on LEARN. Please note that University of Waterloo Policy 19 states that “final examination and final course grades shall not be posted before the final examination period ends.”

Use of Computer Resources

All students are provided with UW computer accounts which provide access to the World Wide Web. Financial reporting standards are available through the Library by clicking on Resources for Research, the Research Databases, then Accounting, and finally [CICA products](#). This provides access to IFRS standards, the CICA standards and guidance collection, and other software and databases.

Students are reminded that UW computing facilities exist to support the research, instructional and administrative needs of the University. Misuse of these facilities may lead to disciplinary action. The Arts Computing Office provides guidelines on the appropriate use of computing facilities (see http://arts.uwaterloo.ca/ACO/aco_account_usage_policy.html).

School of Accounting & Finance Policies:

Accommodations for Missed Assessments

Students are expected to complete all course assessments and write their examinations as regularly scheduled; however, there may be circumstances where accommodating a missed assessment is approved. Accommodation is not automatic upon the presentation of documentation. Instructors will use the documentation along with all information available to them, when determining whether accommodation is warranted. Please note, there will not be deferred mid-term or final exams for this course.

Based on an approved absence, the weighting of the final exam will be adjusted to make up for an excused absence from the mid-term exam. If you are excused from the final exam due to an approved absence, you will be required to write the exam the next time the course is offered. At the end of the current term you will receive an INC course grade. When you have written the final exam, a grade revision will be submitted based on the results of the final exam and your other course work. Failure to write the deferred exam the next time the course is offered will result in a course grade based on the elements of the course that you completed.

Documentation Requirements Supporting Requests for Accommodation

UW's policy regarding documentation to support requests for accommodation due to illness can be found at http://www.registrar.uwaterloo.ca/students/accom_illness.html. To support requests for accommodation due to illness, students should seek medical treatment and then provide a completed *University of Waterloo Verification of Illness Form*. This form is normally the only acceptable medical documentation and is available on line at <http://info.uwaterloo.ca/infoheal/StudentMedicalClinic/VIFOnline.pdf>. For other requests for accommodations, such as death of a family member, appropriate documentation should be provided within a reasonable time period. Students who miss the final exam also must provide the *Faculty of Arts Incomplete Grade Agreement Form* which is available on line at http://arts.uwaterloo.ca/sites/ca.arts/files/download_doc/INC_Grade_Agreement_Form_-_final_June_2012.pdf

- Non-School of Accounting and Finance students should provide supporting documentation to the instructor **within 2 working days of the missed assessment.**
- School of Accounting and Finance students should provide supporting documentation to the SAF Undergraduate Coordinator, Carol Treitz at HH 3156 (if the Undergraduate Coordinator is not available, the documentation should be provided to the receptionist in the Program Office), **within 2 working days of the missed assessment.** School of Accounting and Finance students must also complete and submit the *SAF Request for Exam Accommodation Form* (mid-term or final exams) in addition to the supporting documentation noted above. This form can be obtained from the SAF Undergraduate Coordinator at HH 3156. All forms must include student name, ID number, course number of missed examination, and instructor's name. The SAF Undergraduate Coordinator will complete the bottom section of the *SAF Request for Exam Accommodation Form*, and provide a copy to the instructor. The Coordinator will maintain a record of missed exams by student (name, ID #), so that unusual situations can be identified and addressed.

University Policies:

Academic Integrity

In order to maintain a culture of academic integrity, members of the University of Waterloo are expected to promote honesty, trust, fairness, respect, and responsibility. Information is available at:

- Academic Integrity Office (UW): www.uwaterloo.ca/academic-integrity/
- Academic Responsibility (Arts): arts.uwaterloo.ca/current-undergraduates/academic-responsibility

Discipline

A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about “rules” for group work/collaboration should seek guidance from the course instructor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offences and types of penalties, students should refer to Policy 71 - Student Discipline, www.adm.uwaterloo.ca/infosec/Policies/policy71.htm.

Grievance

A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read Policy 70 - Student Petitions and Grievances, Section 4, www.adm.uwaterloo.ca/infosec/Policies/policy70.htm.

Appeals

A student may appeal the finding and/or penalty in a decision made under Policy 70 - Student Petitions and Grievances, (other than regarding a petition) or Policy 71 - Student Discipline if grounds for an appeal can be established. Read Policy 72 - Student Appeals, www.adm.uwaterloo.ca/infosec/Policies/policy72.htm.

Academic Offenses and Implications

Students majoring in accounting programs at UW should be aware that, due to the highly structured nature of the study plans and the fact that many AFM courses are offered on a limited basis, a penalty

imposed as a result of an academic offence could result in a significant delay of the student's degree completion and convocation dates - particularly if the penalty involves a suspension.

Avoiding Academic Offences

The Faculty of Arts has prepared a website dealing with ways to avoid academic offences.

arts.uwaterloo.ca/current-undergraduates/academic-responsibility

Violation of Standards by Another Student

Allowing another student to obtain course marks by deceit contributes to a general lowering of the ethical standards of the University and contributes to deception of potential employers and other academic institutions. Thus, you have an obligation to take some action when you know another student is violating the course's academic integrity standards. This is a difficult personal trial to face, but it is an important part of your ethical obligation as a student. If you know that another student is violating the standards, it is your responsibility to inform the student's instructor. This requirement closely parallels those found in the standards of conduct of all of the professional accounting bodies in Canada (see, for example, the Institute of Chartered Accountants of Ontario, *Rules of Professional Conduct*, section 211).

Note for Students with Disabilities

The [Office for Persons with Disabilities](#) (OPD), located in Needles Hall, Room 1132, collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the OPD at the beginning of each academic term.

Course Schedule:

Week Begins	Topic	Textbook Reading	Readings	Classroom Problems	Tutorial Problems
Sept. 10	Financial Statements and Business Decisions	1	IFRS Report Card The Question of IFRS Adoption		no tutorial
Sept. 17	The Statement of Financial Position and Income Statement	2, 3	The Lowdown on Salesforce Bottom Line Playing by the Rules	E3-3, E3-11	AP2-2, AP3-5
Sept. 24	The Adjustment Process and Financial Statements	4	Professors Allege More Accounting Problems Apple Released its iPhone Revenue Bomb	E4-7, E4-14	P4-2, AP4-6
Oct. 1	Reporting and Interpreting Cash Flows	5	Cash Returns: Where Apple Lags Google Cash Doesn't Lie	E5-5, E5-9	P5-4, AP5-2
Oct. 8	Communicating and Interpreting Accounting Information	6	Informative or Misleading? Cash Flow Follies: Groupon vs. Facebook	E6-4, E6-11, CP6-4	P6-5
Oct. 15	Review / no lecture on Oct. 19				no tutorial
Oct. 22	Sales Revenue, Receivables and Cash	7	Small Firms' Big Customers Are Slow to Pay How Zynga's Auditor Rewrites Accounting Rules	E7-3, E7-16, E7-23	P7-1, P7-6, P7-9
Oct. 29	Cost of Goods Sold and Inventory	8	Boeing Hits a Milestone Gap Gets Squeezed by Spiral of Costs	E8-13, E8-15	P8-5, P8-7
Nov. 5	Property, Plant, Equipment, and Intangibles	9	Real Estate Worries Some GE Analysts	E9-8, E9-11, E9-24	P9-6, P9-7
Nov. 12	Current Liabilities	10		E10-6	P10-1
	Non-current Liabilities	11	Pension Packages Are Getting Fresh Attention Leases Suffer Identity Crisis	Thompson, E11-15	P11-3
Nov. 19	Owners' Equity	12	Fewer Stock Splits, Record Share Prices SEC, FINRA Call for Probe of Facebook IPO	E12-8, E12-11	P12-3, P12-4
Nov. 26	Analyzing Financial Statements	13	Groupon's Accounting Lingo Gets Scrutiny Why You Shouldn't Buy Those Earnings Surprises	E13-8, E13-11	P13-4
Dec. 3	Review				