**Sabancı MBA Program**

**Fall 2021**

**ACC 501 – Introduction to Financial Accounting and Reporting**

**Instructor** : Dr. Onuralp Armağan

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**Office Hours** : T: 13:30-15:30 in my office/on Zoom or by appointment on Zoom.

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| --- | --- | --- | --- |
| **Type** | **Time** | **Days** | **Where** |
| Class | 9:40 am - 12:30 pm | T | G013-14 |

**Course Objective:**

***What is this course about?***

As inferred by its title, this course will cover main concepts of accounting and a range of topics related to accounting process. You will learn how economic transactions are recorded and translated into a business language, and eventually how companies use this language to report their financial information for decision-making by external parties. You will also learn and practice the techniques to analyze financial health of a company.

***Why is this course important?***

We are surrounded by business – from managing our own money to running the family business, or making budgets for our business departments to seeing financial statements of big corporations. This course will help you to read and speak the language of business – Accounting in a skillful and fruitful way so that you will able to financially communicate with your own department/company, to better manage your family business/startup and your own wealth. Remember most of CEO’s have CFO background. This is not by chance! You may argue that not all successful CFOs have accounting backgrounds – and you are right – but you cannot ignore that they do know how to use accounting language in a skillful, efficient and effective way.

**Learning Outcomes:**

Upon successful completion of the course, you will be able to:

1. Discuss how accounting information is used in resource allocation decisions by users internal and external to the firm,
2. Describe the basic assumptions, concepts and principles of financial accounting,
3. Analyze business transactions in terms of their effect on financial statements and be able to record them formally in company books,
4. Prepare a set of simple financial statements and classify their components for a more meaningful interpretation of the statements,
5. Broadly assess the financial position, profitability and cash flows of a firm through simple ratio analysis.
6. Understand and use basic accounting/financial terminology.

**Course Material:**

***Textbook:*** Horngren, Sundem, Elliott, Philbrick, Introduction to Financial Accounting 11th ed., Pearson.

You must purchase the paper version with MyAccountingLab with eText (available from Homer bookstore), so you can log onto MyAccountingLab and do the homework. You can only get points for the homework assignments by using MyAccountingLab. Use your Sabancı University email to register on

MyAccountingLab so that there will not be problems allocating your homework score in your grade.

MyAccountingLab Access Card gives you access to the textbook online. For guidance, please see the registration guide on SuCourse.

Course ID: armagan51475

***Course Web: SuCourse +*** will be used and contains following items:

* The course syllabus,
* Class exercises,
* Homework assignments,
* Presentation slights/charts that are difficult to note during class,
* Announcements and other resources uploaded by the instructor.

You will also be provided with answers of assignments. Students are required to submit full solutions at given deadlines.

https://sucourse.sabanciuniv.edu/plus

**Instructional Design:**

***What does a typical class look like?***

The class sessions will be conducted in class and online via Zoom.

Each session will usually consist of a mixture of lectures and class discussions where the students are expected to take part in the class discourse. Accounting do require practice and we will solve class exercises mostly consist of transaction scenarios of companies as to concretize the theory and discussion.

The class presentation will be a combination of parts from the course book and notes of my own.

We will also examine some hypothetical and real-life financial statements.

You are required to work individually in class exercises in order to keep the social distance. Students on Zoom will turn back to the lecture session after they are finished.

The lectures will also be recorded and shared with the class via Google Drive.

You will also prepare your term project in your groups throughout the semester. Finally, if time permits, we plan to have in last week a guest lecturer who will show us how accounting as a business language is used in board presentations.

***Tips for doing well in my class***

Basically, accounting is not difficult but requires self-discipline to master the course content. I expect from you to attend each class since the content is cumulative, i.e. any missing class in the beginning will result in difficulty to learn all subsequent material.

I encourage you to see the forest not the trees, i.e. always try to understand the logic and principle behind accounting rules and practices rather than memorizing transactions on their own. Repeating class notes and exercises at home and subsequently doing related homework exercises without waiting for deadlines will deepen your understanding of Accounting.

Finally, I will make the extra effort, return the favor. Try to connect with me, be curious about things, and show me you care.

**Grading:**

Your course grade will be determined by:

**Attendance and Class Participation: 5% (+ 2% Bonus)**

**Homework assignments: 20%**

**Midterm Exam: 30%**

**Final Exam: 30%**

**Term Project: 15%**

**Requirements:**

***Class participation and attendance*** is very important for this course as the content is very cumulative and class discussions and hands-on exercises will make it much easier for you to master the material. You are encouraged and expected to participate in the classroom discussion by asking *relevant* questions, presenting answers to the questions raised and bringing examples of current events you find in the financial media.

Participation to the guest speaker session will bring +2% bonus to you.

***Homework assignments*** will be solved and graded individually. They are crucial for the mastery of the subject matter. You will be provided with eight homework assignments on MyAccountingLab. Each assignment is worth 2.5 points and you will have one week duration for submitting each assignment. You could submit the assignments twice, i.e. you could have your final submission after reviewing the result of your first submission. Please note that your answers in the first submission are not transferred to the final one. No late submission is allowed in homework assignments.

***Exams*** will cover the material contained in the textbook, assignments, cases, lectures and class discussions and will generally include both conceptual and problem type multiple-choice questions, fill-in-the-blank questions and a few problems. Exams are planned to be conducted in the class.

***Term project*** will be a group term project that you will conduct financial analysis of a Turkish firm on Borsa Istanbul, using all the financial analysis tools we will be learning about during the course. MBA Teams declared by the Faculty shall be used to form the groups. The deadline for submission of the term project is Dec 27, 2021.

**Academic Honesty:**

Learning is enhanced through cooperation and as such you are encouraged to work in groups, ask for and give help freely in all appropriate settings. At the same time, as a matter of personal integrity, you should only represent your own work as yours. Any work that is submitted to be evaluated in this class should be an original piece of writing, presenting your ideas in your own words. Everything you borrow from books, articles, or web sites (including those in the syllabus) should be properly cited. Although you are encouraged to discuss your ideas with others (including your friends in the class), it is important that you do not share your writing (slides, MS Excel files, reports, etc.) with anyone. Using ideas, text and other intellectual property developed by someone else while claiming it is your original work is *plagiarism*. Copying from others or providing answers or information, written or oral, to others is *cheating*. Unauthorized help from another person or having someone else write one’s paper or assignment is *collusion*. Cheating, plagiarism and collusion are serious offenses that could result in an F grade and disciplinary action. Please pay utmost attention to avoid such accusations.

**Classroom policies and conduct**

Sabancı MBA Program values participatory learning. Establishing the necessary social order for a participatory learning environment requires that we all:

* Come prepared to make helpful comments and ask questions that facilitate your own understanding and that of your classmates. This requires that you complete the assigned readings for each session before class starts.
* Listen to the person who has the floor.
* Come to class on time.
* If you use your laptop during class, it is only to be used for class activities such as taking notes or referring to a spread sheet. You should not be doing any non-class activities during class time.

**Course Schedule:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Week** | **Topic** | **Reading** | **HW Assignments** |
| 28 Sep | Accounting: The Language of Business | Ch. 1 | - |
| 5 Oct | Accounting Statements | Ch. 1 - 2 | HW1 |
| 12 Oct | Recording Transactions | Ch. 3 | HW2 |
| 19 Oct | Adjusting Accounts and Preparing Statements | Ch. 4 | HW3 |
| 26 Oct | Closing Entries | - | - |
| 2 Nov | Accounting for Sales & Receivables | Ch. 6 | HW4 |
| 9 Nov | Inventories and Cost of Goods Sold | Ch. 7\*\* | - |
| 16 Nov | Inventories and Cost of Goods Sold | Ch 7\*\* | HW5 |
| **23 Nov** | **Midterm Exam (30%, closed book)\*** | | |
| 30 Nov | Accounting for Non-Current Assets | Ch. 8 | HW6 |
| 7 Dec | Liabilities | Ch. 9 | HW7 |
| 14 Dec | Financial Analysis | - | HW8 |
| 21 Dec | Financial Analysis – Case Study | - | - |
| 28 Dec | Accounting Language in Board Meetings  Guest Speaker | - | - |
| **3 Jan –**  **11 Jan** | **Final Exam (30%, closed book)** | | |

\* The midterm exam will be conducted during regular lecture schedule. There is no makeup exam.

\*\* No need to read material on inventory in manufacturing environment.