

BACHELOR of ECONOMICS



**Thammasat University
Faculty of Economics
Bachelor of Economics (International Program)**

AC201

Fundamental Accounting

**Semester 2/2011
(January – April, 2012)**

Course Description:

A study of the evolution of accounting; the functions of accounting in identifying, recording, and classifying financial transactions; characteristics of various types of accounts; the accounting principles and concepts for measuring these financial transactions; a preparation of financial statements; and the usefulness and limitations of accounting information.

Course Objectives:

The purpose of this course is to introduce students the role of accounting as a window through which to see how economic events affect business. The students will learn conceptual framework as well as accounting procedures. The emphasis will be on preparing and using accounting information for financial analysis.



Instructors:

Instructor	Contact Info.	Office	Office Hours
Assistant Professor Dr. Orapan Yorabil	Email: orapan@tu.ac.th	Room #555 and BBA Office, TBS Building Office phone: 02-613-2208	By appointment via email
Ajarn Santana Singhasaneh, CPA	Email: santana.tu@gmail.com	Room #530 TBS Building Office phone: 02-613-2239	By appointment via email

Please include the following title in the subject area of your email sending to us
“AC201-BE-2-2011”
[course number-program-semester-academic year].
For example, if you would like to ask questions related to Chapter 1,
you can send email with the title “AC201-BE-2-2011: Questions about Chapter 1”.

Class Time and Venue:

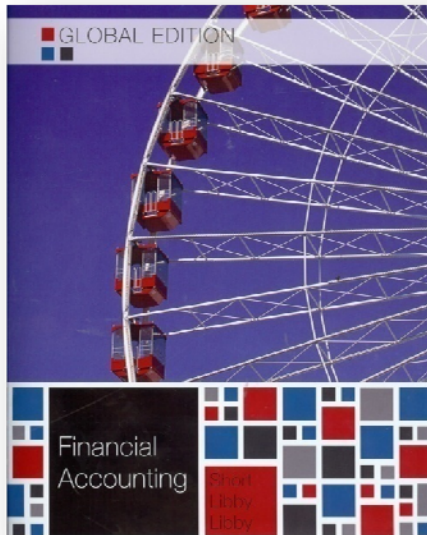
Day: Friday
Time: 02:00 p.m. – 05:00 p.m. (3-hour class)
Venue: Faculty of Economics Building, Room #206

Tentative Grading:

Midterm Examination #1 <i>Date:</i> Friday, March 2, 2012 <i>Time:</i> 3.30 p.m. – 6.00 p.m. (2.5 hours) <i>Topics Covered:</i> Financial Statement Presentation, Accounting Cycle	25%
Midterm Examination #2 <i>Date:</i> To be announced later <i>Time:</i> To be announced later (2.5 hours) <i>Topics Covered:</i> Cash, Receivables, Inventories, Property, Plant, and Equipment, Natural Resources, Intangible Assets	25%
Final Examination <i>Date:</i> Saturday, May 19, 2012 <i>Time:</i> 1:30 p.m. – 4:30 p.m. (3 hours) <i>Topics Covered:</i> Debt Financing, Equity Financing, Investments in Debt and Equity Securities, Statement of Cash Flows, Financial Statement Analysis	25%
Assignments	25%
<ul style="list-style-type: none"> ▪ Online Assignments 15% ▪ In-class Quizzes 5% ▪ Project 5% 	
Total	100%

Note that weighting assigned might be changed as instructors see fit.

Required Text and Materials:



Text:

Short, Libby, and Libby.
Financial Accounting 7th (Global) Edition. McGraw-Hill/Irwin. 2011.

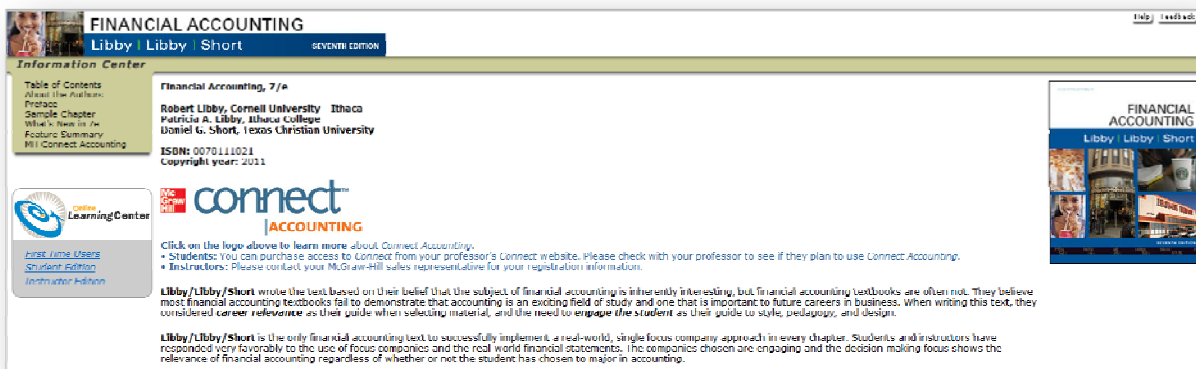
Online Learning Center:

www.mhhe.com/libby7e

**Online Assignment Center
(Connect Plus Accounting):**

<http://connect.mcgraw-hill.com/class/ac201-be-2-2011>

Financial Accounting 7th Edition (Short, Libby, and Libby, 2011) provides the supports and learning resources online at www.mhhe.com/libby7e for free of charge.



The students are required to purchase the access code for Connect Plus Accounting. The access code and text are available at TU-Bookstore. Once the students acquire the code, please visit <http://connect.mcgraw-hill.com/class/ac201-be-2-2011> and register for the course. The assignments and exercises are available on-line.

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ecommended Text, Materials, and Links:

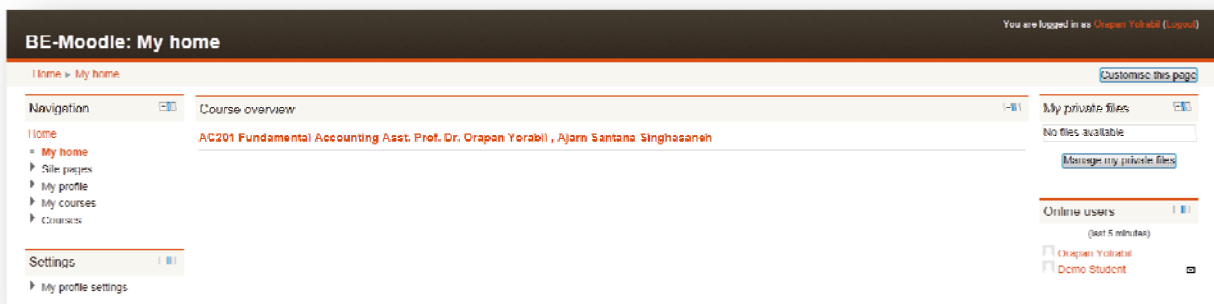
Text:

Phillips, Libby, and Libby. **Fundamentals Financial Accounting** 3rd Edition. McGraw-Hill International. 2011.

Harrison, Horngren, Thomas, and Suwardy. **Financial Accounting: International Financial Reporting Standards** 8th Edition. Pearson Education, 2011.

Lecture Notes:

Instructors' handouts (uploaded to the BE Moodle System at <http://be-moodle.econ.tu.ac.th>)



Thai Financial Reporting Standards:



Selected Thai Financial Reporting Standards will be discussed in class.

Framework for the Preparation and Presentation of Financial Statements

TAS 1 Presentation of Financial Statements

TAS 2 Inventories

TAS 7 Statement of Cash Flows

TAS 16 Property, Plant and Equipment

TAS 37 Provisions, Contingent Liabilities and Contingent Assets

TAS 38 Intangible Assets

TAS 101 Doubtful Accounts and Bad Debts

TAS 105 Accounting for Investment in Debt and Equity Securities

Links:

The useful links are provided below:

www.fap.or.th	Federation of Accounting Professions of Thailand
www.set.or.th	The Stock Exchange of Thailand
www.settrade.com	The Stock Exchange of Thailand Group
www.sec.or.th	Securities and Exchange Commission of Thailand
www.moc.go.th	Ministry of Commerce of Thailand
www.bot.or.th	Bank of Thailand
www.iasb.org	International Accounting Standard Board

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Course Administration:

1. Practices (0%)

The students are required to read the chapter before class. The students are recommended to work on review problems both on-line and at the end of each chapter (no credits taken).

All on-line practice questions are static (students will see the same version of the questions). Practice set is a question by question assignment. Once you have finished each question, you need to click **“score this question”** (at the top left corner of the screen) and your answer will be scored. However, **NO** credits will be counted towards your course evaluation.

Detailed feedback and solutions will be available at the end of each question. By clicking the green button **“show correct answer”** you will be able to switch back and forth between a solution to the problem and your answer. If you click **“save & exit”** during your assignment attempt, your work done on that page will be saved.

Once you complete the whole assignment, you will have a choice to go back and review your work. Then you need to click **“submit assignment”** and you will see your total score for the assignment. You are allowed to work on the same practice set as many times as you want. There is **NO** time limit and **NO** deadline. All practice sets will be available for your review throughout the semester.

2. On-line Assignments (15%)

The students must complete the on-line assignments before the due dates. The students are allowed to work on the same assignment **TWICE**. The best score of each assignment will be taken. There are 12 assignments available for the students to work on; however, we will allow the students to drop the two that have the lowest scores.

Most of the on-line assignment questions are algorithmic (students will see different version of the question each time it is viewed). There is **NO** time limit. If you click **save & exit** during your assignment attempt, your work done on that page will be saved. You are allowed to work on and complete each on-line assignment **TWICE**, however, in several sittings. For example, you may first finish 2 questions, save your work, subsequently come back to finish 2 more questions, save your work and come back to finish the rest of your assignment and submit. Once you have finished the whole assignment, you need to click **“submit assignment,”** all those steps will be counted as 1 completion and your answers will be scored. You are allowed to make another attempt. You might want to try if you think you can achieve a higher score.

The deadline for on-line assignments is at 11.59 p.m. 2 nights before their respective midterm/final exam. (For example, Midterm #1 on March 2, 2012 covers materials from Chapter 1-4, therefore, Chapter 1-4 on-line assignments will be due on February 29, 2012 at 11.59 p.m.). Any incomplete attempt will be automatically submitted “as is” on due date. Feedback and solutions will **NOT** be available to you **UNTIL** 1 hour after the assignment due dates (For example, solutions to Chapter 1-4 on-line assignments will become available to you on March 1, 2012 at approximately 1 a.m.).

3. Quizzes (5%)

The unannounced quizzes may be and will be given in class. The students must prepare for the quizzes at all time. No make-up quiz is allowed for any reasons.

4. Project (5%)

At the end of the course, the students are required to do project on financial statement analysis. The students must be able to integrate the knowledge acquired during the semester to analyze entity's financial performance, financial position, and other aspects based on financial reports of the entity. The students can select the entity of interest for this project. However, the entity selected must be listed in The Stock Exchange of Thailand and must be non-finance, non-insurance, and non-bank organizations.

5. Exams (75%)

There are 3 exams throughout the course. The weight assigned to each exam (Midterm#1, Midterm#2, and Final exam) is 25%, 25%, and 25%, respectively. Thus, the total weight for all exams is 75%. The exams are closed-book exams. The basic calculators and financial calculators are allowed in the exams.

Dishonesty during the quizzes and tests will result in an immediate "F" grade in this course and suspension according to Thammasat University Code of Conduct.

Important Dates:



ACADEMIC CALENDAR 2011

Semester 2

January - May 2012

Classes Begin	January 9, 2012
Mid-term Examination Period	February 27 - March 3, 2012
Course Withdrawal With "W"	March 15 – 21, 2012
Last Day of Classes	April 29, 2012
Final Examination Period	May 4 – 20, 2012



HOLIDAYS FOR 2012

Year 2012

January	Sunday 1	New Year's Day
	Monday 2	New Year's Eve (Substitution)
	Tuesday 3	New Year's Day (Substitution)
March	Wednesday 7	Makha Bucha Day
April	Friday 6	Chakri Memorial Day
	Friday 13	Songkran Festival
May	Saturday 14	Songkran Festival
	Sunday 15	Songkran Festival
	Monday 16	Songkran Festival (Substitution)
	Tuesday 17	Songkran Festival (Substitution)
	Saturday 5	Coronation Day
	Monday 7	Coronation Day (Substitution)
	**	Royal Ploughing Ceremony Day

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Course Schedule:

Sessions	Topics
Session #1	Course Overview Chapter 1: Financial Statements and Business Decisions <ul style="list-style-type: none"> ▪ Understanding the Business ▪ The Four Basic Financial Statements: An Overview – Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Stockholders' Equity, and Statement of Cash Flows ▪ Responsibilities for the Accounting Communication Process – Generally Accepted Accounting Standards, International Financial Reporting Standards, Thai Financial Reporting Standards
Session #2	Chapter 2: Investing and Financial Decisions and the Statement of Financial Position <ul style="list-style-type: none"> ▪ Understanding the Business ▪ Overview of Accounting Concepts ▪ What Business Activities Cause Changes in Financial Statement Amounts? – Nature of Business Transactions, Accounts ▪ How Do Transactions Affect Accounts? – Principles of Transaction Analysis ▪ How Do Companies Keep Track of Account Balances? – The Direction of Transaction Effects, Analytical Tools ▪ How is the Statement of Financial Position Prepared and Analyzed? – Classified Statement of Financial Position
Session #3	Chapter 3: Operating Decisions and the Statement of Comprehensive Income <ul style="list-style-type: none"> ▪ Understanding the Business ▪ How Do Business Activities Affect the Statement of Comprehensive Income – The Accounting Cycle, Elements of Statement of Comprehensive Income ▪ How Are Operating Activities Recognized and Measured? – Accrual Accounting ▪ The Expanded Transaction Analysis Model – Transaction Analysis Rules ▪ How are Financial Statements Prepared and Analyzed?
Session #4-5	Chapter 4: Adjustments, Financial Statements, the Quality of Earnings <ul style="list-style-type: none"> ▪ Understanding the Business ▪ Adjusting Revenues and Expenses – The Accounting Cycle, Unadjusted Trial Balance, Purpose of Adjustments, Types of Adjustments, Adjustment Process ▪ Preparing Financial Statements – Statement of Comprehensive Income, Statement of Changes in Stockholders' Equity, and Statement of Cash Flows ▪ Closing the Books – End of Accounting Cycle

Sessions	Topics
Session #6	<p><u>Chapter 6: Reporting and Interpreting Sales Revenue, Receivables, and Cash</u></p> <ul style="list-style-type: none"> ▪ Understanding the Business ▪ Accounting for Sales Revenue – Sales Discounts, Sales Returns and Allowances, Reporting Net Sales ▪ Measuring and Reporting Receivables – Classifying Receivables, Accounting for Doubtful Accounts and Bad Debts, Reporting Receivables, Doubtful Accounts Expense, and Bad Debts, Estimating Uncollectible Accounts, Control Over Accounts Receivable ▪ Reporting and Safeguarding Cash – Cash and Cash Equivalents Defined, Cash Management, Internal Control of Cash, Reconciliation of the Cash Accounts and the Bank Statements ▪ Financial Analysis – Accounts Receivable Turnover
Session #7	<p><u>Chapter 7: Reporting and Interpreting Cost of Goods Sold and Inventory</u></p> <ul style="list-style-type: none"> ▪ Understanding the Business ▪ Nature of Inventory and Cost of Goods Sold – Items Included in Inventory, Costs Included in Inventory Purchases, Flow of Inventory Costs, Nature of Cost of Goods Sold ▪ Inventory Costing Methods – Cost Flows Assumptions (First-in, First-out; Last-in, First-out [Not Allowed in Thailand]; Weighted Average Cost, Specific Identification), Financial Statement Effects of Inventory Methods ▪ Valuation at Lower of Cost of Net Realizable Value ▪ Evaluating Inventory Management ▪ Control of Inventory ▪ Financial Analysis – Inventory Turnover
Session #8	<p><u>Chapter 8: Reporting and Interpreting Property, Plant, and Equipment; Natural Resources; and Intangibles</u></p> <ul style="list-style-type: none"> ▪ Understanding the Business ▪ Acquisition and Maintenance of Plant and Equipment – Classifying Long-Lived Assets, Measuring and Recording Acquisition Cost ▪ Use, Impairment, and Disposal of Plant and Equipment – Depreciation Concepts, Alternative Depreciation Methods (Straight-line, Units-of-Production, Declining-Balance) ▪ Natural Resources and Intangible Assets – Acquisition and Depletion of Natural Resources, Acquisition and Amortization of Intangible Assets ▪ Financial Analysis -- Fix Asset Turnover
Session #9	<p><u>Chapter 9: Reporting and Interpreting Liabilities</u></p> <ul style="list-style-type: none"> ▪ Understanding the Business ▪ Liabilities Defined and Classified ▪ Current Liabilities – Accounts Payable, Accrued Liabilities, Notes Payable, Current Portion of Long-term Debt, Deferred Revenues ▪ Long-term Liabilities – Long-term Notes Payable and Bonds ▪ Present Value Concepts – Present Value of a Single Amount, Present Value of an Annuity, Applications of Present Values ▪ Financial Analysis -- Quick Ratio, Accounts Payable Turnover
Session #10	<p><u>Chapter 10: Reporting and Interpreting Bonds</u></p> <ul style="list-style-type: none"> ▪ Understanding the Business ▪ Characteristics of Bonds Payable ▪ Reporting Bonds Transactions – Bonds Issued at Par, Bonds Issued at Discount, Bonds Issued at Premium ▪ Early Retirement of Debt ▪ Financial Analysis – Times Interest Earned, Debt-to-Equity

Sessions	Topics
Session #11	<p><u>Chapter 11: Reporting and Interpreting Shareholders' Equity</u></p> <ul style="list-style-type: none"> ▪ Understanding the Business ▪ Ownership of a Corporation – Benefits of Share Ownership, Authorized, Issued, and Outstanding Shares ▪ Ordinary Share Transactions – Share Issuance, Share Repurchase ▪ Dividends on Ordinary Shares ▪ Share Dividends and Share Splits ▪ Preference Shares – Dividends on Preference Shares ▪ Financial Analysis – Earnings Per Share, Dividend Yield
Session #12	<p><u>Chapter 12: Reporting and Interpreting Investments in Other Corporations</u></p> <ul style="list-style-type: none"> ▪ Understanding the Business ▪ Types of Investments and Accounting Methods – Passive Investments in Debt and Equity Securities, Investments in Equity Securities for Significant Influence, Investments in Equity Securities for Control ▪ Debt Held to Maturity: Amortized Cost Method – Bond Purchases, Interest Earned, Principal at Maturity ▪ Passive Investments: The Fair Value Method – Classifying Passive Investments at Fair Value, Securities Available for Sale, Comparing Trading and Available-for-Sale Securities ▪ Investments in Significant Influence: Equity Method – Recording and Reporting Investments under the Equity Method ▪ Controlling Interests: Mergers and Acquisitions
Session #13	<p><u>Chapter 13: Statement of Cash Flows</u></p> <ul style="list-style-type: none"> ▪ Understanding the Business ▪ Classifications of the Statement of Cash Flows – Cash Flows from Operating Activities, Investing Activities, and Financing Activities, Net Increase (Decrease) in Cash, Relationships to the Statement of Financial Position, Statement of Comprehensive Income ▪ Reporting and Interpreting Cash Flows from Operating Activities – Direct VS. Indirect Method ▪ Reporting and Interpreting Cash Flows from Investing Activities ▪ Reporting and Interpreting Cash Flows from Financing Activities ▪ Completing the Statement and Additional Disclosures – Statement Structure, Noncash Investing and Financing Activities
Session #14	<p><u>Chapter 5: Communicating and Interpreting Accounting Information</u></p> <ul style="list-style-type: none"> ▪ Understanding the Business ▪ Players in the Accounting Communication Process ▪ The Disclosure Process ▪ A Closer Look at Financial Statement Formats and Notes ▪ Return on Assets Analysis: A Framework for Evaluating Company Performance <p><u>Chapter 14: Analyzing Financial Statements</u></p> <ul style="list-style-type: none"> ▪ Understanding the Business ▪ The Investment Decision ▪ Understanding a Company's Strategy ▪ Financial Statement Analysis ▪ Ratio and Percentage Analysis – Component Percentages, Tests of Profitability, Tests of Solvency, Market Tests ▪ Interpreting Ratios and Other Analytical considerations
Session #15	<p><u>Wrap-up</u></p>