



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

AC 201

Fundamental Accounting

Semester 1/2017
(August – December 2017)

Course Description:

The basic principles, concepts, and procedures for collecting and recording accounting information; preparation and analysis of financial reports; accounting cycle; accounting and disclosure for assets, liabilities, and owners' equity.

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.



Class Time and Venue:

Group: 046401
Day: Fridays
Time: 02:00 p.m. – 05:00 p.m. (3-hour class)
Venue: Faculty of Economics Building, Room #204

Group: 046402
Day: Saturdays
Time: 09:00 a.m. – 12:00 noon (3-hour class)
Venue: Faculty of Economics Building, Room #302

Instructors:

Instructor	Contact Info.	Office	Office Hours
Assistant Professor Dr. Orapan Yolrabil	E-mail: orapan@tbs.tu.ac.th	Office of Associate Deans TBS Building Office phone: 02-613-2201	One hour before each class and by appointment

E-mail: Please begin the subject of all your emails sending to us with **“AC201-BE-1-2017”** [course number-program-semester-academic year]. For example, if you would like to ask questions related to Chapter 1, you must send your email with a subject **“AC201-BE-1-2017: Questions about Chapter 1.”**

Facebook: <https://www.facebook.com/groups/AC201.BE.1.2017/>
 This FB group is intended to create a communication channel between instructor and students enrolled in the course. Teaching materials, exercises, exam guidelines will be posted in this group. The students can post questions or issues that need clarifications here in the group.

Required readings/course materials:
Instructors' handouts:

Handouts can be downloaded from the BE Moodle System at
<http://be-moodle.econ.tu.ac.th> with enrollment key = **1024**.

Suggested Readings:
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 18	Revenues
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:

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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entative Grading:

Midterm Examination <i>Date:</i> Friday, October 6, 2017 <i>Time:</i> 02:00 p.m. – 05:00 p.m. (3 hours)	35%
Final Examination <i>Date:</i> Friday, December 15, 2017 <i>Time:</i> 01:30 p.m. – 04:30 p.m. (3 hours)	40%
Quizzes and Assignments	25%
<ul style="list-style-type: none"> ▪ Quizzes 20% ▪ Project 5% 	
	100%

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

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ourse Administration:
1. Practices (0%)

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

2. Exams (75%)

There are 2 exams throughout the course. The weight assigned to each exam (Midterm and Final exam) is 35%, and 40%, respectively. Thus, the total weight for all exams is 80%. The exams are closed-note, closed-book. Only basic calculators are allowed in the exams. Statistical and financial calculators are NOT allowed.

3. Quizzes (20%)

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. Some of the lowest quiz scores will be dropped.

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 instructors will assign a company listed on The Stock Exchange of Thailand for this project. The students will be working on this project in groups of 6 to 8. Detailed requirements of this project are stated in the following section.

Financial Statement Analysis Project:

Project Requirements:

1. Form a group of 6-8 students to perform financial analysis on the assigned company.
2. Acquire key financial information and financial ratios of assigned company during the past 3-5 years from www.set.or.th or other information sources. Additional information (more detailed information), is also available at company's website, www.sec.or.th, www.settrade.com, and other public sources.
3. The set of information acquired must include at least the followings:
 - Financial Data: Assets (especially, Accounts Receivable and Inventory), Liabilities (Accounts Payable), Equity, Paid-up Capital, Dividend, Revenue, Expense (especially cost of goods sold, and other key expense items), Net Profit, and Market Capitalization (in million Baht).
 - Financial Ratio: Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin, Price-Earnings Ratio (P/E), Book Value per Share, Dividend Yield.
4. Perform basic financial statement analysis on the acquired information. The project should be organized in the following ways:
 - a. Describe nature of business/industry and products/services of the assigned company.
 - b. Present key financial data and financial ratios (in tabular format and/or in graphical format).
 - c. Analyze the trend of key financial data and financial ratios whether the company is in good shape. From the acquired financial data or financial ratios, if you spot problems that the company is facing or will be facing, please specify. Additional ratios (such as accounts receivable turnover, inventory turnover, total assets turnover ratio, debt-to-equity ratio, current ratio, quick ratio, interest coverage ratio, and etc.) may be calculated based on financial statement items acquired to be able to perform a more detailed financial analysis. For each of the financial ratios, describe the meaning and calculation formula before analyzing the ratio. You are required to do your own research on the interpretation of each of the financial ratio. Based on the financial ratios, you should at least address the following aspects:
 - Profitability eg. Return on Equity, Earnings per Share, Gross Profit Margin, Net Profit Margin, and etc.
 - Liquidity eg. Current Ratio, Quick Ratio, Accounts Receivable Turnover, Inventory Turnover, and etc.
 - Solvency eg. Debt-to-Equity Ratio, Interest Coverage ratio, and etc.
 - Efficiency eg. Return on Assets, Asset Turnover, and etc.
 - d. Conclude whether the investors should invest in company's debt or equity securities based on your analysis.
5. Length of the project (analysis part) should not exceed 10 pages.
6. The project is due on the last day of class at the BE Office. Early submission of the report is welcome.

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ttendance and Class Conduct:

Regular attendance at the lectures is essential for successful completion of this course.

The students must respect the rights of their classmates. Disruptive behaviors during the class sessions are NOT acceptable. These include, but not limited to, excessive talking to classmates on topics unrelated to the classroom materials, using electronic devices and/or mobile phones, using laptop computers without permission, eating food, arriving late, leaving early, coming and going during the class meeting. The student who engages in any of such behaviors will be asked to leave the classroom and will receive zero score on his/her quiz given on that day.

All communication devices must be muted and kept out of sight during lectures and quizzes.

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 1/2017

Semester 1	
August - December 2017	
Classes Begin	August 15, 2017
Adding and Dropping Courses w/o Record	August 15 – 28, 2017
Mid-term Examination Period	October 2 - 7, 2017
Course Withdrawal With "W"	October 18 – 24, 2017
Last Day of Classes	December 9, 2017
Final Examination Period	December 12 – 24, 2017



HOLIDAYS FOR SEMESTER 1/2017

Semester 1	
August - December 2017	
His Majesty the Late King Bhumibol Adulyadej Memorial Day	October 13, 2017
King Chulalongkorn Memorial Day	October 23, 2017
Royal Cremation Ceremony of His Majesty the Late King Bhumibol Adulyadej	October 24 - 29, 2017
The Birthday of His Majesty the Late King Bhumibol Adulyadej	December 5, 2017
Constitution Day	December 10, 2017
Substitution for Constitution Day	December 11, 2017

Note that there is no class on the holidays.

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Course Schedule:

Sessions	Topics
Session #1	<p>Course Overview</p> <p>Chapter 1: Financial Statements and Business Decisions</p> <ul style="list-style-type: none"> ▪ The Four Basic Financial Statements: Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Stockholders' Equity, and Statement of Cash Flows
Session #2	<p>Chapter 2: Investing and Financial Decisions and the Statement of Financial Position</p> <ul style="list-style-type: none"> ▪ Accounting Concepts ▪ Nature of Business Transactions ▪ The Accounts ▪ Transaction Analysis ▪ Debit/Credit, Journal Entry, T-Account ▪ Classified Statement of Financial Position
Session #3	<p>Chapter 3: Operating Decisions and the Statement of Comprehensive Income</p> <ul style="list-style-type: none"> ▪ The Operating Cycle ▪ Elements of Statement of Comprehensive Income ▪ Cash Basis/Accrual Basis Accounting ▪ Classified Statement of Comprehensive Income
Session #4	<p>Chapter 4: Adjustments, Financial Statements, the Quality of Earnings</p> <ul style="list-style-type: none"> ▪ Adjusting Revenues and Expenses ▪ Preparing Financial Statements ▪ Closing the Books
Session #5	<p>Chapter 4: Adjustments, Financial Statements, the Quality of Earnings (continued)</p>
Session #6	<p>Chapter 6: Reporting and Interpreting Sales Revenue, Receivables, and Cash</p> <ul style="list-style-type: none"> ▪ Accounting for Net Sales Revenue ▪ Measuring and Reporting Receivables ▪ Reporting and Safeguarding Cash ▪ Reconciliation of the Cash Accounts
Session #7	<p>Chapter 7: Reporting and Interpreting Cost of Goods Sold and Inventory</p> <ul style="list-style-type: none"> ▪ Nature of Inventory and Cost of Goods Sold ▪ Inventory Costing Methods ▪ Valuation at Lower of Cost of Net Realizable Value
Midterm Exam	<p>Date: Friday, October 6, 2017 Time: 02:00 p.m. – 05:00 p.m. (3 hours)</p>
Session #8	<p>Chapter 8: Reporting and Interpreting Property, Plant, and Equipment; Natural Resources; and Intangibles</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



Sessions	Topics
Session #9	Chapter 9: Reporting and Interpreting Liabilities <ul style="list-style-type: none">Understanding the BusinessLiabilities Defined and ClassifiedCurrent Liabilities – Accounts Payable, Accrued Liabilities, Notes Payable, Current Portion of Long-term Debt, Deferred RevenuesLong-term Liabilities – Long-term Notes Payable and BondsPresent Value Concepts – Present Value of a Single Amount, Present Value of an Annuity, Applications of Present ValuesFinancial Analysis -- Quick Ratio, Accounts Payable Turnover
Session #10	Chapter 10: Reporting and Interpreting Bonds <ul style="list-style-type: none">Understanding the BusinessCharacteristics of Bonds PayableReporting Bonds Transactions – Bonds Issued at Par, Bonds Issued at Discount, Bonds Issued at PremiumEarly Retirement of Debt
Session #11	Chapter 11: Reporting and Interpreting Shareholders' Equity <ul style="list-style-type: none">Understanding the BusinessOwnership of a Corporation – Benefits of Share Ownership, Authorized, Issued, and Outstanding SharesOrdinary Share Transactions – Share Issuance, Share RepurchaseDividends on Ordinary SharesShare Dividends and Share SplitsPreference Shares – Dividends on Preference Shares
Session #12	Chapter 12: Reporting and Interpreting Investments in Other Corporations <ul style="list-style-type: none">Understanding the BusinessTypes of Investments and Accounting Methods – Passive Investments in Debt and Equity Securities, Investments in Equity Securities for Significant Influence, Investments in Equity Securities for ControlDebt Held to Maturity: Amortized Cost Method – Bond Purchases, Interest Earned, Principal at MaturityPassive Investments: The Fair Value Method – Classifying Passive Investments at Fair Value, Securities Available for Sale, Comparing Trading and Available-for-Sale SecuritiesInvestments in Significant Influence: Equity Method – Recording and Reporting Investments under the Equity MethodControlling Interests: Mergers and Acquisitions
Session #13	Chapter 13: Statement of Cash Flows <ul style="list-style-type: none">Understanding the BusinessClassifications 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 IncomeReporting and Interpreting Cash Flows from Operating Activities – Direct VS. Indirect MethodCompleting the Statement and Additional Disclosures – Statement Structure, Noncash Investing and Financing Activities



Sessions	Topics
Session #14	<u>Chapter 5: Communicating and Interpreting Accounting Information</u> <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 <u>Chapter 14: Analyzing Financial Statements</u> <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	Wrap-up
Final Exam	Date: Friday, December 15, 2017 Time: 01:30 p.m. – 04:30 p.m. (3 hours)