

**MIDDLE EAST TECHNICAL UNIVERSITY**  
**Department of Business Administration**

EMBA 5401

Fall, 2008

**FINANCIAL ACCOUNTING  
for EXECUTIVES**

Asst. Prof. Dr. Adil ORAN

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**Class Hours: M & W 18:30-21:30**

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**Course Objectives**

A successful manager requires many skills and a knowledge base covering a wide area of subjects. Many people believe that accounting is simply a tool to measure and record economic activity. However, when examined more closely it becomes obvious that it actually serves much more important purposes. Accounting is the “Language of Business” and is used by all businesspeople regardless of their positions. Accounting allows for communication between different parts of a company, as well as, between companies and even throughout the economy. It is at the center of an efficiently functioning economy, as it helps decisionmakers allocate scarce resources.

The main purpose of accounting is to provide decisionmakers with useful information. Due to the differing needs of external and internal users, accounting is usually classified into **Financial accounting** and **Managerial accounting**. Financial accounting has the aim of meeting the needs of external users and this facilitates the functioning of capital markets. Managerial accounting has the aim of meeting the needs of internal users and this enables the management of the firm to undertake measures to increase the efficiency of the firm.

The aim of this course sequence is **not** to make you an **expert** in the entire field of accounting. The course attempts to provide a solid foundation needed to be a successful manager by giving a **fundamental understanding of accounting theory and practice both internationally and in Turkey**. Those planning to pursue careers in accounting and finance will need to take further courses in this area. However, those pursuing careers in other areas will have been provided the basic tools they require from the fields of Financial Accounting and Managerial Accounting.

The following topics will be covered:

1. Accounting: Information for Decision Making
2. Basic Financial Statements (B/S, I/S, CFS)
3. The Accounting Cycle
4. Merchandising Activities
5. Inventories

**Mid-term exam 1**

6. Current Assets and Current Liabilities
7. Investments
8. Long-Term Assets
9. Long-Term Liabilities
10. Equity
11. Cash Flow Statement

**Mid-term exam 2**

### **Assignments**

Problems will be assigned on a regular basis and these problems will form the basis for some class discussions. Solutions to the assigned problems will be collected at the beginning of the class period that they are due, so make sure that you have a copy of your answers so that you can participate in class discussions. Homeworks are expected to be handed in **on-time and in-person**.

There will also be frequent in-class activities where you will be given a short preparation time (usually in groups) and then called upon for your solutions. You may sometimes be asked to hand in the results of the in-class work.

### **Course materials**

TEXT BOOK: Principles of Financial Accounting, 3<sup>rd</sup> Ed. Şimga-Muğan, Hoşal-Akman, Gazi Kitabevi, ISBN: 975-8895-54-0, 2005

<http://www.siho-accounting.com>

- Optional Text: Meigs, Williams, Haka and Bettner Accounting: the Basis for Business Decisions, 11th Edition, McGraw Hill International Edition (most subjects are quite similar, however, you will be responsible for keeping track of any differences!).
- Totally optional material: Dictionary of Economics and Business Terms (may be purchased from the copy room)
- The Class web page will be a very useful source of information. You will find class materials and the latest breaking news about assignments, exams, etc. there.
- Powerpoint presentations used in class will also be provided on the web page of the class (in pdf format).

### **Make-up Exams:**

There will be one comprehensive make-up exam given to those students that missed an exam and had valid reasons and documentation. The make-up exam will follow the final exam.