

MIDDLE EAST TECHNICAL UNIVERSITY
Department of Business Administration

BA 1402 - Financial Accounting section 02

Spring, 2008

Asst. Prof. Dr. Adil ORAN

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Class Hours: M&W 08:45-10:00 G208

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Teaching Assistant:

Course Objectives

A successful manager requires many skills and a knowledge base covering a wide area of subjects. Your studies up to the present have exposed you to a number of these areas, and the time has come to become more closely acquainted with yet another. Even though accounting and accounting information seem to be tools to measure and record economic activity, they actually also serve a more important purpose. 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 aim of this course is not to make you an expert in the entire field of accounting, or even in the entire field of financial accounting. However, this course will provide students with a solid foundation for becoming a manager by giving them a **fundamental understanding of accounting theory and practice both internationally and in Turkey**. Students planning to pursue careers in accounting and finance will need to take further courses in this area. However, those students pursuing other areas of education will have been provided the basic tools they require from the field of Financial Accounting.

The following topics will be covered:

1. Accounting and the Business Environment (chp. 1)
2. The Accounting Cycle (recording, adjusting and completing) (chps. 2,3)
3. Merchandising Operations (chp. 4)
4. Inventories (chp. 5)

Mid-term exam 1 (Tuesday, April 25 at 17:45)

5. Review of Financial Statements (chp. 6)
6. Current Assets (chp. 7)
7. Current Liabilities (chp. 8)
8. Investments (chp. 9)
9. Non-Current Assets (chp. 10)

Mid-term exam 2 (Friday, May 2 at 17:45)

10. Long-Term Liabilities (chp. 11)
11. Owners' Equity (chp. 12)
12. The Statement of Cash Flows (chp. 13)
13. Introduction to Managerial Accounting

Comprehensive Final

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 occasionally be sampling checks conducted.

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

Course materials

- Required Text: **Muğan and Akman, Principles of Financial Accounting, 2nd edition, 2007.**
- Optional Texts: (most subjects are quite similar, however, you will be responsible for keeping track of any differences!).
 - Horngren, Harrison and Bamber, Accounting 5th edition, Prentice Hall International edition, 2002.
 - Meigs, Williams, Haka and Bettner Accounting: the Basis for Business Decisions, 11th Edition, McGraw Hill International Edition.
- 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).
- Solutions to end of chapter questions will be provided on the web page of the class.

Grade determination

Your grade in this course will be determined by your performance on two interim exams, a final exam, homeworks and class participation. The following weights will be used in determining your grade:

Interim Exams (30% each):	60%
Final Exam:	30%
Assignments:	10%

Exams:

1st Midterm **Tuesday, April 25th, 2008 at 17:45**

2nd Midterm **Friday, May 2nd, 2008 at 17:45**

Final Exam

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.