

McDaniel College Budapest

BUA 1101 – Principles of Accounting I.

Classes

Fridays from 8.30 to 11.45 p.m.; Room T1

Professor

Gergely Mohl, Ph.D.

Contact information

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Availability

I am personally available after the classes. My online availability (via email) is virtually unlimited.

Course description

The primary objective of accounting is to provide useful information to support decision making. This course focuses on the basics of financial accounting (external reporting), from the perspective of an individual for-profit entity. After starting with the situational background of accounting and introducing the mechanics of bookkeeping, the course discusses in detail the elements of the balance sheet, gives an overview of the income statement and briefly presents the cash flow statement and the analysis of financial statements.

Participants will be expected to be very active in their learning both in the class and at home.

Course objectives

The general aim of the course is to create and develop the ability of the participants to use and utilise financial accounting information in the framework of their own economic activity.

At the end of the course participants should be able to prepare basic financial statements, and to interpret and understand the effects of certain transactions on the financial statements. Theory will be illustrated through numerous examples and if suitable real life financial statements are used.

The course also intends to create a solid basis for next semester's managerial accounting subject (Principles of Accounting II.).

Learning outcomes

After completing the course, the students should:

- have an understanding of the importance of accounting and its role in business decision making;
- have a knowledge of the key underlying concepts of external reporting;
- have a knowledge of the structure and content of financial statements (SFP, SOPOLAOI, SOCIE, SCF, Notes);
- have the skills to perform the elementary „technical” activities of an accountant (working in a journal and on T-accounts, enter the adjustment entries, prepare the statements);
- have a detailed knowledge of the content and handling of the items of the balance sheet, i.e. inventories, receivables, financial assets, non-current assets, equity and liabilities, owners' equity and liabilities;
- have a detailed knowledge of the income statement;
- have a basic knowledge of the cash flow statement;
- have the basic skills to perform the analysis of financial statements;
- have an understanding of some elementary ethical issues in accounting;
- be able to identify some major differences between US-GAAP and the IFRSs.

Required texts

- **Williams – Haka – Bettner – Carcello: Financial & Managerial Accounting, 17th edition** (or 15th edition at least – earlier editions are *NOT ACCEPTABLE* due to numerous and major changes in material) McGraw-Hill 2014
- Handouts during the semester

Recommended readings

- Thomas A. King: More Than a Numbers Game – A Brief History of Accounting, Wiley 2006
- International Financial Reporting Standards (IFRSs), IASB 2017

Website of the course

www.mcdaniel.edu or <https://bb.mcdaniel.edu/webapps/login/>

The course uses the BLACKBOARD Learn system.

You may find this syllabus and the in class PP presentations, mock exams (in advance) uploaded there.

Assessment & grading

Students may choose the form of assessment to be applied.

It is either

- Class participation (10 pts)
- A series of six closed book in-class tests (90 pts)
- Extra home assignment(s) (up to 20 pts)

OR

- Class participation (10 pts)
- Final exam (90 pts)
- Extra home assignment(s) (up to 20 pts)

*Every student will be offered a grade at the end of the semester based on his/her quizzes' results and class participation. However, students are free to irrevocably drop the points of the quizzes and sit a **CLOSED BOOK** final exam instead, during the final exams' week.*

(The mid-term grade is based on class participation and the result of already written quizzes and extra home assignments (if any).)

Missed in-class quizzes may only be made up in the following week, after presenting a certificate issued by a G.P.

Extra home assignments for extra points may or may not occur during the semester.

Grading system – 100 points total

An 'eased' McDaniel College scale is applied (% and grade respectively):

96-100	A+
91-95	A
87-90	A-
83-86	B+
79-82	B
75-78	B-
71-74	C+
67-70	C
63-66	C-
59-62	D+
55-58	D
51-54	D-
< 51	F

Class participation and the importance of continuous learning

Informed, critical exchange of ideas forms the core of the College learning experience. It should occur in every classroom. *Besides this, accounting courses are described as “difficult” and “extremely demanding” by the vast majority of students. Based on previous experience almost the only way to master an accounting course is **continuous** (i.e. week after week) **learning and practicing**.* You are therefore encouraged to ***prepare hard*** for the series of in-class tests to achieve a satisfying grade.

In-class participation plays an important role in the final determination of your course grade too. Firstly, it is essential because of the in-class tests.

Secondly, examples solved during the classes are essential to understand the topic being discussed and they also make your preparation for the tests or final exam a lot easier. You are also expected to share ideas during discussions and you are wholeheartedly encouraged to ask questions when you do not understand something.

Participation implies attendance; absences will be noted and will adversely affect your final participation grade.

Creation of a proper classroom environment requires above all else respect for fellow students. We all ask that you don't be late; that you don't surf the internet on your laptop or otherwise distract everyone else during class; that you turn off your cell phone and that you do not check for messages during class. Likewise, you can expect me to end class on time, and to engage you in discussion.

Honour code

You are expected without question to adhere completely to the McDaniel College academic honour code. Any violation will result in a zero for the given assignment and other possible sanctions.

Course policies

You may be absent anytime, no questions asked – you need not explain the cause of your absence. Unexcused absences, however, may lead to a loss of points from your class participation points. You may receive 10 points for 10 occasions, 1 point for each. Please note that we meet for two consecutive sessions per week – appearance point goes for being present at both of them.

Do not be late – a tardy arrival is impoliteness.

%

Semester schedule/topics covered

Week	Date	Topic	Textbook ¹
1	Sept 8	Introduction; The basics of accounting	Chapter 1, 2
2	Sept 15	The basics of bookkeeping	Chapter 3
3	Sept 22	<i>IN-CLASS TEST 1</i> ; Accruals and deferrals	Chapter 4
4	Sept 29	Preparation of financial statements	Chapter 5
5	Oct 6	<i>IN-CLASS TEST 2</i> ; Practicing	Comprehensive Problem 1
6	Oct 13	Basics of inventories	Chapter 6
7	Oct 20	<i>IN-CLASS TEST 3</i> ; Advanced issues of inventories	Chapter 8
8	Oct 27	Plant and intangible assets	Chapter 9
9	Nov 3	<i>IN-CLASS TEST 4</i> ; Financial assets	Chapter 7
10	Nov 10	Liabilities and equity	Chapter 10, 11
11	Nov 17	<i>IN-CLASS TEST 5</i> ; Income and changes in retained earnings	Chapter 12
-	Nov 24	<i>NO ACCOUNTING CLASS – Thanksgiving</i>	-
12	Dec 1	Practicing	Comprehensive Problem 3
13	Dec 8	<i>IN-CLASS TEST 6</i> ; Practicing, mock examination	-
-	Dec 15 ²	<i>FINAL EXAM</i>	-

Schedule might be subject to change based on previous experience and knowledge of students.

¹Based on Williams – Haka – Bettner – Carcello book 15th edition

² Might change due to administrative reasons.