



暨南大學  
JINAN UNIVERSITY

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# JINAN UNIVERSITY

## Financial Accounting

**Lecturer:** Song Wang

**Time:** Monday through Friday (June 18, 2018-July 20, 2018)

**Office hours:** 2 hours (according to the teaching schedule)

**Contact Hours:** 60 (50mins each)

**Credits:** 4

**Location:** MBA Center

**Office:** MBA Center 107

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### Aims and Objectives

This subject aims at providing students with a fundamental understanding of U. S. Generally Accepted Accounting Principles (U. S. GAAP) including Financial Accounting Environment, Balance Sheet, Income Statement, Internal Control, Cash, Receivables, Inventory, Fixed Assets, Intangibles, Liabilities, Equity, Partnership, and Statement of Cash Flow.

### **Teaching and Learning**

Lectures and case-based tutorial sessions will form the basis of the module delivery. Lectures will be used to present key material and to provide opportunities for students to explore and discuss the concepts. The tutorial sessions will facilitate students' understanding of how techniques are used in practice as well as incorporating the use of case study material. Students are expected to read the assigned reading materials (or chapters) prior to the lecture and complete their assignments before the tutorials. In the tutorials, discussions will be based on the topics related to the materials in the preceding lectures and will be in the form of problem discussions.

### **Required Text**

*Fundamental Accounting Principles*, by John Wild, Ken Shaw and Barbara Chiappetta, 23th Edition, McGraw-Hill

### **Course Hours**

The course has 25 sessions in total. Each class session is 120 minutes in length. The course meets from Monday to Friday.

### **Other Requirements**

Calculator - only approved calculators can be used. Please check with the instructor for the appropriate types of calculators that can be used for this course. Electronics dictionary is not allowed during the test and examination.

### **Assessment**

Your final grade is based on the following components:

Homework Assignments	20%
Project	10 %
Quizzes	20%
Mid-term test	25%

Final examination	25%
Total	100%

### Grading Scale

The instructor will use the grading system as applied by JNU:

Definition	Letter Grade	Score
Excellent	A	90-100
Good	B	80-89
Satisfactory	C	70-79
Poor	D	60-69
Failed	E	Below 60

ALL in-class quizzes, assignments, mid-term test, and final examination are INDIVIDUAL effort, meaning that you should work on your own material and any unscholarly actions prohibited by the university must be avoided. The mid-term test and final examination might consist of true or false, multiple choice, calculation, and /or short answer questions. The exact date, time, and place of the mid-term test and final examination will be announced during the term. In order to pass this course, both the course work and examination marks must be at least 60% each, and the overall module mark must be at least 60%.

### Expected Class Schedule

#### Week 1

Accounting in business (Ch 1).

Analyzing and recording transactions (Ch 2).

Adjusting and preparing financial statements (Ch 3).

Completing the accounting cycle (Ch 4).

**Week 2**

Accounting for merchandising operations (Ch 5).

Inventory and cost of sales (Ch 6).

Accounting information systems (Ch 7).

Cash and internal controls (Ch 8).

**Week 3**

Accounting for receivables (Ch 9).

Plant assets and intangibles (Ch 10).

Current Liabilities (Ch 11).

Accounting for partnerships (Ch 12).

Mid-term Exam

**Week 4**

Accounting for corporations (Ch 13).

Long- term Liabilities (Ch 14).

Investments and international operations (Ch 15).

Reporting the statement of cash flows (Ch 16).

**Week 5**

Analysis of cash flows (Ch 17).

Review and Final Exam

The instructor reserves the right to change the class schedule.

## Academic Honesty

Jinan University defines academic misconduct as any act by a student that misrepresents the students' own academic work or that compromises the academic work of another scholastic misconduct includes (but is not limited to) cheating on assignments or examinations; plagiarizing, i.e. misrepresenting as one's own work any work done by another; submitting the same paper, or substantially similar papers, to meet the requirements of more than one course without the approval and consent of the instructors concerned; sabotaging another's work within these general definitions, however, Instructors determine what constitutes academic misconduct in the courses they teach. Students found guilty of academic misconduct in any portion of the academic work face penalties ranging from lowering of their course grade to awarding a grade of E for the entire course.

## Final Project

### 1. Select Target

Please select a US public traded company, for example Apple, Amazon, Boeing, etc. You can also choose one at your own interest or pick a constituent stock from the SP500 Index at <https://www.investing.com/indices/us-spx-500-components>

Please describe the industry and major products of the company you select **(5 points)**

### 2. Download Data

For your company, you will download its financial statements (Income Statement, Balance Sheet, and Statement of Cash Flows) **in the most recent two years at ANNUAL level**. You can use Yahoo Finance as the source. For example, you can find the balance sheet of Amazon, Inc at <https://finance.yahoo.com/quote/AMZ.DE/balance-sheet?p=AMZ.DE>. Your data should be in Excel format **(15 points)**

You are also expected to find the financial statements from the company's website and the US governments website.

From the company's website, check its weblink called "Investor Relations" and locate its 10-K form. If 10-K form is not available, 10-Q would suffice. For example, on Apple Inc's investor relation website, you can click "View the Form 10-Q" at <http://investor.apple.com/>

You will also need to check the US government site at

<https://www.sec.gov/edgar/searchedgar/companysearch.html> and search by company name. Then download 10-K from you need.

Please copy and paste the URL of both the company website and the government website with the statements **(5 points)**

### **3. Excel Calculation**

Please merge the Income Statement and the Balance Sheet into one Excel File but in two separate spreadsheets. Remember, your data covers two years. On the spreadsheet of Income Statement, you will apply Excel formulas and perform calculations wherever possible. For example, you do not need an Excel calculation for the Revenue, but you will need an Excel calculation for the EBIT. You will do the same for the spreadsheet of Balance Sheet. You will be mostly graded for the formulas you put behind the numbers.

**(20 Points)**

### **4. Ratio Analysis**

Create another spreadsheet and name it as “Financial Ratios”. On this sheet, calculate Current Ratio, Quick Ratio, Time Interest Earned Ratio, Cash Coverage Ratio, Total Debt Ratio, Gross Profit Margin, Net Profit Margin, Return on Assets, Return on Equity for the two years. Also compare the change of each ratio except for the total debt ratio, and mark in another column whether the change is “Good” or “Bad” for the company **(15 points)**

### **5. Creation of Statement of Cash Flows.**

In the existing file, please create a new spreadsheet and name it as “Statement of Cash Flows”. Using the numbers on the Balance Sheet and Income Statement, build each cash flow activity for the most recent year. All formulas of the new sheet should be linked directly to the source on the previous spreadsheets. Be sure to separate those cash flow activities into the categories of Operating, Financing and Investing. Be sure to link the “Cash and Equivalent” on Balance Sheet to the summarized Cash Flows on the Statement of Cash Flows as the final step. **(30 points)**

Using Excel’s outlining feature (group), create an outline on the statement of cash flows that, when collapsed, it shows only the subtotals for each section. **(5 points)**

## 6. Presentation

Please apply appropriate format for the cells in your Excel spreadsheets **(5 points)**

## 7. Analysis of Cash Flows.

On the Statement of Cash Flows, identify the activity that incurs the largest amount of cash flow. Find out in details the reason that causes such large amount of cash flows. You can use company's report or media report as sources. For example, When Target Corporation experience a large cash out flow for the Change of Land, it is because the company opens many new stores in St. Louis area during the year. **(Extra 5 points)**