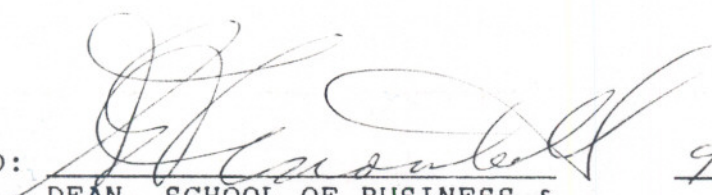


SAULT COLLEGE of APPLIED ARTS and TECHNOLOGY
SAULT STE MARIE, ONTARIO

COURSE OUTLINE

COURSE TITLE: FINANCIAL ANALYSIS
CODE: ENT 104
PROGRAM: ENTREPRENEURSHIP
SEMESTER: Fall
DATE: OCTOBER, 1992
PREVIOUS
OUTLINE DATE: NONE
PROFESSOR: John Cavaliere

APPROVED:


DEAN, SCHOOL OF BUSINESS &
HOSPITALITY

92-09-25
DATE

PHILOSOPHY/GOALS

This course provides the framework for understanding and applying accounting concepts in preparation for the completion of a Business Plan. The student will learn how to prepare certain sections of the financial business plan. The student will also be introduced to the accounting cycle as it applies to a business entity and as well as the preparation of Financial Statements and Accounting Control.

STUDENT PERFORMANCE OBJECTIVES

Upon completion of this course the student will be able to:

1. Set up a basic accounting system for maintaining financial records and the daily recording of business transactions.
2. Understand the flow of financial information from the initial recording of a transaction to the preparation of Financial Statements for the business entity.
3. Understand the importance of a System of Internal control and the importance of financial statements in the management decision-making process.
4. Perform Bank Reconciliations and identify the methods used for inventory valuations and their effects on income.

EVALUATION:

The final Grade will be determined as follows:

TEST #1	Chapters 1,2,3	25%
TEST #2	Chapters 4,5,6	25%
TEST #3	Chapters 7,8,9,10	25%
Attendance, assignments, quizzes		25%

100%

Evaluation Grades:	A+	90 - 100%
	A	80 - 89%
	B	70 - 79%
	C	55 - 69%
	R	50 - 54 %

~~THE QUIZZES WILL TEST THE STUDENT'S KNOWLEDGE~~ throughout the course. These quizzes will be administered throughout the semester unannounced. Students absent on the day of the quiz will receive a grade of zero for that particular quiz. Students who do not hand in an assignment on the due date will receive a zero grade for that particular assignment.

Students failing to write a test on the appointed day will be given a zero grade unless extenuating circumstances exist and prior arrangements have been made with the instructor.

Attendance is mandatory and will affect the final grade when consideration is given for class participation.

REQUIRED RESOURCES:

TEXT: Financial Accounting
Meigs, Meigs, Lam
McGraw - Hill

Accounting Worksheets Group A Chapters 1 - 15
Meigs, Meigs, Lam
McGraw - Hill

Main Topics:

UNDERSTANDING THE PROCESS OF ACCOUNTING

Meigs - Chapter 1	Accounting: The Language of Business	
	What is Accounting?	pgs. 3 - 7
	Generally Accepted Accounting Principles	
	Development of Accounting Standards	pgs. 12 - 13
	Accounting as the Basis for Business Decisions	
	Internal Control	pgs. 14 - 15
	Financial Statements: The Starting Point in the Study of Accounting	pgs. 15 - 29
	Use of Financial statements by Outsiders	pgs. 29 - 31
Meigs - Chapter 2	Recording Changes in Financial Position	
	The Role of Accounting Records	
	The Ledger/The Journal/The Trial Balance	
	The Accounting Cycle: An Introduction	pgs. 52 - 73
Meigs - Chapter 3	Measuring Business Income	pgs. 97 - 116
Meigs - Chapter 4	Completion of the Accounting Cycle	
	Accounting Periods	
	Adjusting Entries	
	Work Sheet	
	The Accounting Cycle	pgs. 149 - 174
Meigs - Chapter 5	Merchandising Companies	pgs. 209 - 218
	Summary of Merchandising Transactions	
	Sales Taxes	
	Perpetual Inventory Systems	pgs. 225 - 228
	Analyzing the Income Statement	pgs. 218 - 220
	Classified Financial Statements	pgs. 228 - 232
Meigs - Chapter 6	Internal Control and Accounting systems	
	Internal Control	
	Guidelines to Achieving Strong Internal Control	
	The Role of Business Documents	pgs. 253 - 261
	(An Overview of) Special Journals and the Subsidiary Ledgers	pgs. 263 - 279
	Advantages of Computer-Based systems	pgs. 280 - 281
Meigs - Chapter 7	The Control of Cash Transactions	pgs. 313 - 319
	Petty Cash/Bank Current Accounts	
	Making Deposits/Writing Cheques	
	Control Features of Bank Chequing Accounts	
	Bank Statements/Reconciling the Bank Balance	pgs. 323 - 332

Accounts Receivable/Allowance for Doubtful Accounts pgs. 359 - 362

~~Estimating Principles as Applied to Inventories~~

Inventory Valuation and the Measurement of Income
Importance of an Accurate Valuation of Inventory

~~Taking a Physical Inventory/Revising the Inventory~~
Cost Basis of Inventory Valuation

Inventory Valuation Methods (specific identification,
average cost, FIFO, LIFO)

Evaluation of the Methods

Consistency in the Valuation of Inventory pgs. 406 - 420

The Lower-of-Cost-and-Market Rule pg. 422

Meigs - Chapter 10 Plant and Equipment, Depreciation,
Intangible Assets and Natural Resources

Plant and Equipment/Depreciation

pgs. 455 - 467

~~Intangible Assets~~

pgs. 471 - 477