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SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY

SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

COURSE TITLE: FINANCIAL ANALYSIS  
CODE NO.: ENT 104 SEMESTER: FALL  
PROGRAM: ENTREPRENEURSHIP  
AUTHOR: JOHN CAVALIERE  
DATE: FEBRUARY 1993  
PREVIOUS OUTLINE DATED: NONE

New: \_\_\_\_\_ Revision: \_\_\_\_\_

APPROVED: \_\_\_\_\_  
DEAN, SCHOOL OF BUSINESS & HOSPITALITY DATE

FINANCIAL ANALYSIS

ENT 104

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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 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%

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100%

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

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COMPUTER CONCEPTS AND APPLICATIONS

EDP130

SPECIAL NOTES:

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 that 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



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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	
Summary of Merchandising Transactions	pgs. 209-218
Sales Taxes	
Perpetual Inventory Systems	pgs. 218-220
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

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INTRODUCTION TO SPECIFIC BALANCE SHEET/INCOME STATEMENT ACCOUNTS

Meigs - Chapter 8, Receivables	
Accounts Receivable/Allowance for Doubtful Accounts	pgs. 359-362
Estimating Credit Losses - The Balance Sheet Approach	pgs. 365-367
Accounts Receivable Turnover	pgs. 376
Meigs - Chapter 9, Inventories	
Inventory Defined	
Periodic Inventory System versus Perpetual Inventory System	
The Matching Principle as Applied to Inventories	
Inventory Valuation and the Measurement of Income	
Importance of an Accurate Valuation of Inventory	
Taking a Physical Inventory/Pricing 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