

**The Hong Kong University of Science and Technology**  
**ACCT2010: Principles of Accounting I**

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### **Course Description**

The objective of the course is to learn how to read, prepare, and analyze financial statements and to understand the underlying transactions that give rise to the main financial statements. This requires a thorough understanding of the principles behind the U.S. Generally Accepted Accounting Principles (U.S. GAAP). In doing so, as an external consumer of financial information, students will be able to evaluate the current condition of a business and appreciate the possibility and implication of discretion that pervades the financial statements. The course assumes no prior accounting background and will be supplemented with real-life examples.

The course begins by looking at the main financial statements: balance sheet, income statement, statement of cash flows, and statement of stockholders' equity. We explore how these four financial statements are constructed, how they are related to each other, and what they tell us about the financial health of a company. We then cover specific items from the financial statements to add a layer of complexity/reality.

### **Intended Learning Outcomes (ILOs)**

By the end of this course, students should be able to:

1. Understand, record, and analyze accounting transactions in financial statements;
2. Understand the relationship between balance sheet, income statement, and cash flow statement; and
3. Recognize the discretionary nature of accounting and understand its implications.

### **Assessment and Grading**

This course will be assessed using criterion-referencing, and grades will not be assigned using a curve. A detailed breakdown for assessments is provided below, outlining the criteria used for evaluation.

#### **Assessments:**

<b>Assessment Task</b>	<b>Contribution to Overall Course grade (%)</b>
Attendance/Participation	5%
Homework Assignments	10%
Midterm Exam	35%
Final Exam	50%

#### Attendance/Participation:

Students are expected to attend each class. After each class, students are required to submit a "memo" that will count towards their attendance. Memos are due 11:59 pm on the day of each class. For example, a memo for a Monday class would be due 11:59 pm on Monday, and a memo for a Wednesday class would be due 11:59 pm on Wednesday. For each memo, students should submit a one to two-sentences summary of each class and any questions that they have. The deadline will be strictly followed, and no late submission will be accepted.

Students are expected to actively participate in class. Participation marks will be counted for effort only.

Class recordings will not be provided unless under extenuating circumstances (e.g., illness, job interview). In such cases, proper documentation (e.g., doctor's note, job interview invitation email) will need to be submitted to view the class recordings.

Homework Assignments:

Exercises from Connect will be assigned to ensure that students understand the materials. Late homework will not be accepted. Students will have continued access to these homework assignments to prepare for the midterm and the final exams.

Midterm and Final Exams:

There will be one midterm and one final exam. The exams are closed-book. The dates are to be determined and will be announced during the semester. Makeup exams will not be provided unless under extenuating circumstances and with proper documentation.

**Mapping of Course ILOs to Assessment Tasks**

<b>Assessed Task</b>	<b>Mapped ILOs</b>	<b>Explanation</b>
Attendance/Participation	ILO1, ILO2, ILO3	This task assesses students' ability to digest and concisely explain the concepts and materials discussed in class.
Homework Assignments	ILO1, ILO2	Homework assignments are aimed to solidify students' understanding of how to report and analyze accounting transactions in financial statements.
Midterm and Final Exams	ILO1, ILO2, ILO3	These assessments gauge students' comprehensive understanding of financial reporting, discretionary nature of accounting, and its implications.

**Final Grade Descriptors:**

<b>Grades</b>	<b>Short Description</b>	<b>Elaboration on subject grading description</b>
A	Excellent Performance	Demonstrates a comprehensive grasp of principles of financial accounting: recording transactions and implications and consequences of discretionary nature of accounting.
B	Good Performance	Demonstrates a good knowledge of principles of financial accounting: recording transactions and implications and consequences of discretionary nature of accounting.
C	Satisfactory Performance	Possesses adequate knowledge of principles of financial accounting: recording transactions and implications and consequences of discretionary nature of accounting.
D	Marginal Pass	Has a threshold knowledge of principles of financial accounting: recording transactions and implications and consequences of discretionary nature of accounting.
F	Fail	Demonstrates insufficient knowledge of principles of financial accounting: recording transactions and implications and consequences of discretionary nature of accounting.

**Course AI Policy**

The use of generative artificial intelligence tools is strictly prohibited. Students should not use, refer, or consult any form of generative artificial intelligence for course assessments.

### **Communication and Feedback**

Homework assignments will be automatically graded by Connect. Assessment marks for exams will be communicated via Canvas within two weeks of assessment. Students who have further questions about the feedback or marks should consult the instructor within five working days after the feedback is received.

### **Required Text and Material**

- For this course, the required textbook is Libby, Libby, and Hodge (LLH) Fundamentals of Financial Accounting, 11th edition (2022, McGraw-Hill).
- Students will also need to purchase Connect.

### **Academic Integrity**

Students are expected to adhere to the university's academic integrity policy. Students are expected to uphold HKUST's Academic Honor Code and to maintain the highest standards of academic integrity. The University has zero tolerance of academic misconduct. Please refer to [Academic Integrity | HKUST – Academic Registry](#) for the University's definition of plagiarism and ways to avoid cheating and plagiarism.