

The Hong Kong University of Science & Technology
Department of Accounting
ACCT2010 – Principles of Accounting I
Course Outline

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Classes: Monday (Mon) and Friday (Fri)
L10: Mon 13:30 – 14:50 & Fri 09:00 – 10:20 (Rm 1009, LSK Building)
L11: Mon 15:00 – 16:20 & Fri 10:30 – 11:50 (Rm 1009, LSK Building)

Office Hours: by appointment.

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I. Course Objectives

Accounting is the language of business. In this course you will learn how to "speak" and "read" this new language. The course is designed to provide an overview of financial accounting so that, upon completion of the course, you will be able to read, interpret and analyze corporate financial reports. In particular, you should:

1. Develop a comprehensive and well-founded knowledge of financial accounting, including
 - a. Understand the accounting categories: assets, liabilities, equity, revenues and expenses;
 - b. Understand how an accounting system keeps track of information;
 - c. Understand how generally accepted accounting principles (GAAP) influence what is recorded in the books of an entity;
 - d. Prepare a balance sheet, income statement and cash flow statement;
 - e. Read, interpret and analyze a set of financial statements.
2. Understand the role of financial accounting in the decision-making process of business organizations. Apply financial accounting frameworks to business situations.
3. Be able to form critical judgment covering an ability to identify and define accounting and business problems, apply analytical and quantitative techniques, make and justify decisions;
4. Be effective in communication through collection, analysis and organization of information and ideas and their clear transmission;
5. Demonstrate ethical and social understanding including a knowledge and respect of ethics and ethical standards in accounting and an understanding of social and civic responsibility.

II. Textbook and Supplementary Readings

1. Libby, Libby, and Hodge. *Financial Accounting*, 11th edition (2023), McGraw-Hill. (**Connect Access Code is required**). All assignments will be completed and graded on Connect.

2. Lecture notes: you will be able to download handouts from the CANVAS ACCT2010 L10-L11 website. No hardcopy will be provided in the class.

III. Grading Scheme:

<u>Description</u>	<u>Weight</u>
Assignments	25%
Class participation	5%
Midterm test	20%
Final exam	<u>50%</u>
Total	<u>100%</u>
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NOTES:

1. Assignments have to be completed and submitted online through Connect. You can find the deadline of each assignment on CANVAS. You need to turn in at least 8 assignments to get full credit for this part. You should write your own answers. If you copy-paste from anyone, you get zero credit. If you let your classmate(s) copy-paste your answers, you get zero credit too. No late submission will be accepted unless there is prior approval granted by the instructor.

2. Class participation will be graded based on your attendance and participation in the class discussion. I strongly encourage you to raise and answer others' questions in class to promote an interactive atmosphere and facilitate your learning.

3. **No make-up arrangement for Midterm test.** The scheduled date and time are given in the course schedule at the end of this syllabus. You should take precautionary actions to avoid missing the quizzes. If you cannot come due to emergency health issues, submit a doctor's certificate to me and the weight of your midterm weight will be shifted to the final exam. Otherwise, you will receive zero score for midterm test.

IV. Conduct of This Course

1. Class Preparation: Read the slides **before** coming to the class. Class preparation is essential for earning the class participation marks.

2. Reading after the Class: The lectures give you a guidance of the key concepts in every chapter. You should read the relevant chapter after class and make sure you can understand the materials in the textbook. **Exams will be based on the key concepts discussed in the lectures and the related details in the textbook.**

3. Practice Problems: A set of textbook problems from each chapter are recommended for your practice. Practice problems aim to improve your understanding of and familiarity with the topics lectured in class. However, the amount of practice problems assigned is very minimal. You are strongly encouraged to do additional practice while preparing for the examinations. The solutions to practice problems at the end of each chapter will be posted on the course website.

4. Midterm test and final exams: Midterm test will cover chapters 1 to 4 and chapters 6 to 7. The final exam is **cumulative** and will cover everything we have discussed in this course. This course **does not** cover chapters 5 and 13 of the textbook.

5. Ask Questions on CANVAS Discussion Board: Please use the discussion board on CANVAS to ask questions. This benefits everyone – the questioner, the instructor and other students. I will check the discussion board and post replies regularly. You are encouraged to reply to other students' questions on CANVAS as part of a supportive learning environment.

I strongly encourage you to raise your questions and express your opinions on the discussion board as soon as your problems arise. Do not allow your puzzles or confusions to accumulate because it will be more difficult to solve them later. In this course, each chapter builds on the previous chapter(s). It is like constructing a building – the foundation first, then the ground floor, then the first floor and so on. If you have problems in the earlier part(s) you will not be able to understand the later part(s). Moreover, the level of difficulty increases as the course progresses.

6. Course Schedule: The course schedule is given at the end of this course outline. The topics which are denoted as "SKIP" will not appear in the examinations and will not be covered in the class. You may familiarize yourselves with the topics denoted as 'SKIP' and you are welcome to discuss with the instructor if you have any difficulty learning those materials. Changes to the course schedule may be made, if necessary. **It is your sole responsibility to find out what has been announced during your absence from the class.**

7. Academic Honor Code and Integrity: Academic integrity and honesty are critical values in upholding **HKUST**'s reputation as a community of scholars and its claim to the "intellectual property" created by staff and students. All students who join **HKUST** are therefore committed to an Academic Honor Code. As Set Out in the Academic Honor Code (Details of the code and other information may be found in the Academic Registry's website: <https://registry.hkust.edu.hk/> and <https://registry.hkust.edu.hk/resource-library/academic-honor-code-and-academic-integrity#:~:text=Academic%20integrity%20and%20honesty%20are%20critical%20values%20in,As%20Set%20Out%20in%20the%20Academic%20Honor%20Code>) :

- Students must observe and uphold the highest standards of academic integrity and honesty in all their work throughout their programs of study.
- As members of the University community, students have the responsibility to help maintain the academic reputation of **HKUST** in its academic endeavors.
- Sanctions will be imposed if students are found to have violated the regulations governing academic integrity and honesty.

8. Office Hours: Book an appointment by email me to schedule a meeting with me or the TA.

TENTATIVE SCHEDULE (Subject to Change)

Date	Chap No.	Topic	Practice Problems
Sept 1, 5	1	Introduction & Financial Statements and Business Decisions (SKIP Chapter Supplements)	M1-1; E1-5, 9.
Sept 9, 16	2	Investing and Financing Decisions and the Accounting System	E2-4, 6, 8, 9, 13, 15, 16; P2-1, 2, 3, 4.
Sept 19, 23	3	Operating Decisions and the Accounting System	E3-3, 4, 8, 9, 15, 16; P3-4 (Skip <i>required</i> 5), 7.
Sept 26, 30	4	Adjustments, Financial Statements, and the Quality of Earnings	E4-1, 3, 5, 7, 8, 10; P4-2, 4; COMP4-2
Oct 3, 7	6	Sales Revenue, Receivables, and Cash SKIP (“reconciliation of the cash accounts and the bank statements”)	E6-3, 4, 6, 8, 9, 13, 17, 18; AP6-1, 2, 3.
Oct 10, 14	7	Cost of Goods Sold and Inventory	E7-1, 4, 5, 9, 12, 15, 17, 18; P7-1, 3, 4, 6.
Oct 17, 21	8	Property, Plant and Equipment	E8-3, 5, 6, 10, 14, 15, 16, 18, 19, 24, 25; P8-3, 6, 9.
Oct 22 (Sat)	1-4 6-7	Midterm Test (Chapters 1-4; 6-7) Time 7pm - 8:30pm. Venue: To be advised	
Oct 24, 28	9	Time Value of Money (SKIP Chapter Supplements)	E9-13, 19, 20; P9-10
Oct 31; Nov 4	10	Corporate Bonds (SKIP Chapter Supplements)	E10-4, 5, 8, 10, 13, 15, 16; P10-1, 3
Nov 7, 11	9	Reporting Liabilities (SKIP Chapter Supplements)	E9-1, 6, 9; P9-6; AP9-1, 3
Nov 14, 18	11	Owner’s Equity (SKIP Chapter Supplements)	E11-1, 3, 4, 7, 8, 11, 15, 20, 23; P11-1, 2, 5, 8. P1-1 (<i>Required</i> 2)
Nov 21, 25	12	Statement of Cash Flows (SKIP Chapter Supplements)	E12-1, 4, 9, 10, 11, 15, 16; P12-1, 2.
Nov 28		Revision	
Final Examination			