

MIDDLE EAST TECHNICAL UNIVERSITY
Department of Business Administration

EMBA 5401

Fall, 2011

FINANCIAL ACCOUNTING for EXECUTIVES

Asst. Prof. Dr. Adil ORAN

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Class Hours: M & W 18:30-21:30

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Course Objectives

A successful manager requires many skills and a knowledge base covering a wide area of subjects. Many people believe that accounting is simply a tool to measure and record economic activity. However, when examined more closely it becomes obvious that it actually serves much more important purposes. Accounting is the “Language of Business” and is used by all businesspeople regardless of their positions. Accounting allows for communication between different parts of a company, as well as, between companies and even throughout the economy. It is at the center of an efficiently functioning economy, as it helps decisionmakers allocate scarce resources.

The main purpose of accounting is to provide decisionmakers with useful information. Due to the differing needs of external and internal users, accounting is usually classified into **Financial Accounting** and Managerial Accounting. Financial accounting has the aim of meeting the needs of external users and this facilitates the functioning of capital markets. Managerial accounting has the aim of meeting the needs of internal users and this enables the management of the firm to undertake measures to increase the efficiency of the firm.

The aim of this course sequence is **not** to make you an **expert** in the entire field of financial accounting. The course attempts to provide a solid foundation needed to be a successful manager by giving a **fundamental understanding of accounting theory and practice both internationally and in Turkey**. Those planning to pursue careers in accounting and finance will need to take further courses in this area. However, those pursuing careers in other areas will have been provided the basic tools they require from the field of Financial Accounting.

The following topics will be covered:

1. Accounting: Information for Decision Making
2. Basic Financial Statements (B/S, I/S, CFS)
3. The Accounting Cycle
4. Merchandising Activities and Inventories

Exam 1 (20%)

5. Current Assets and Current Liabilities
6. Long-Term Assets and Liabilities
7. Equity
8. Cash Flow Statement
9. Analysis of Financial Statements

Exam 2 (75%)

There will also be frequent in-class activities where you will be given a short preparation time (usually in groups) and then called upon for your solutions. You may sometimes be asked to hand in the results of the in-class work.

Course materials

TEXT BOOK: Principles of Financial Accounting, 3rd Ed. Şimga-Muşan, Hoşal-Akman, Gazi Kitabevi, ISBN: 975-8895-54-0, 2007

<http://www.siho-accounting.com>

- Optional Text: Meigs, Williams, Haka and Bettner Accounting: the Basis for Business Decisions, 11th Edition, McGraw Hill International Edition (most subjects are quite similar, however, you will be responsible for keeping track of any differences!).
- Totally optional material: Dictionary of Economics and Business Terms (may be purchased from the copy room)
- The Class web page will be a very useful source of information. You will find class materials and the latest breaking news about assignments, exams, etc. there.
- Powerpoint presentations used in class will also be provided on the web page of the class (in pdf format).

Make-up Exams:

There will be one comprehensive make-up exam given to those students that missed an exam and had valid reasons and documentation. The make-up exam will follow the final exam.