

MIDDLE EAST TECHNICAL UNIVERSITY
Department of Business Administration

BA 5401 ACCOUNTING

Fall, 2011

Asst. Prof. Dr. Adil ORAN

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Class Hours: MW 11:45-13:00 (G109)

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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 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 fields of Financial Accounting and Managerial 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
5. Inventories

Exam 1

6. Current Assets and Current Liabilities
7. Investments
8. Long-Term Assets
9. Long-Term Liabilities
10. Equity
11. Cash Flow Statement

Exam 2

12. Introduction to Managerial Accounting
13. Job Order Costing

14. Process Costing
15. Cost-Volume-Profit Analysis
16. Budgeting and Responsibility Accounting
17. Standard Costs
18. Activity-Based Costing

Comprehensive Final

Assignments

Problems will be assigned on a regular basis and these problems will form the basis for some class discussions. Solutions to the assigned problems will be collected at the beginning of the class period that they are due, so make sure that you have a copy of your answers so that you can participate in class discussions. Homework is expected to be handed in **on-time and in-person**.

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).

Grade determination

Your grade in this course will be determined by your performance on three interim exams, a final exam, homeworks and class participation. The following weights will be used in determining your grade:

| | |
|---------------------------|-----|
| Interim Exams (30% each): | 60% |
| Final Exam: | 30% |
| Assignments & In-Class | 10% |

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.