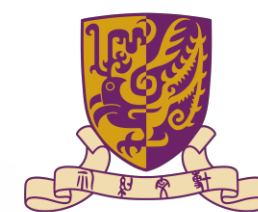


ACT2111 Introductory Financial Accounting

Chapter 1 Accounting in Action

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The Chinese University of Hong Kong, Shenzhen

经管学院
School of Management and Economics

Why learning accounting is important?

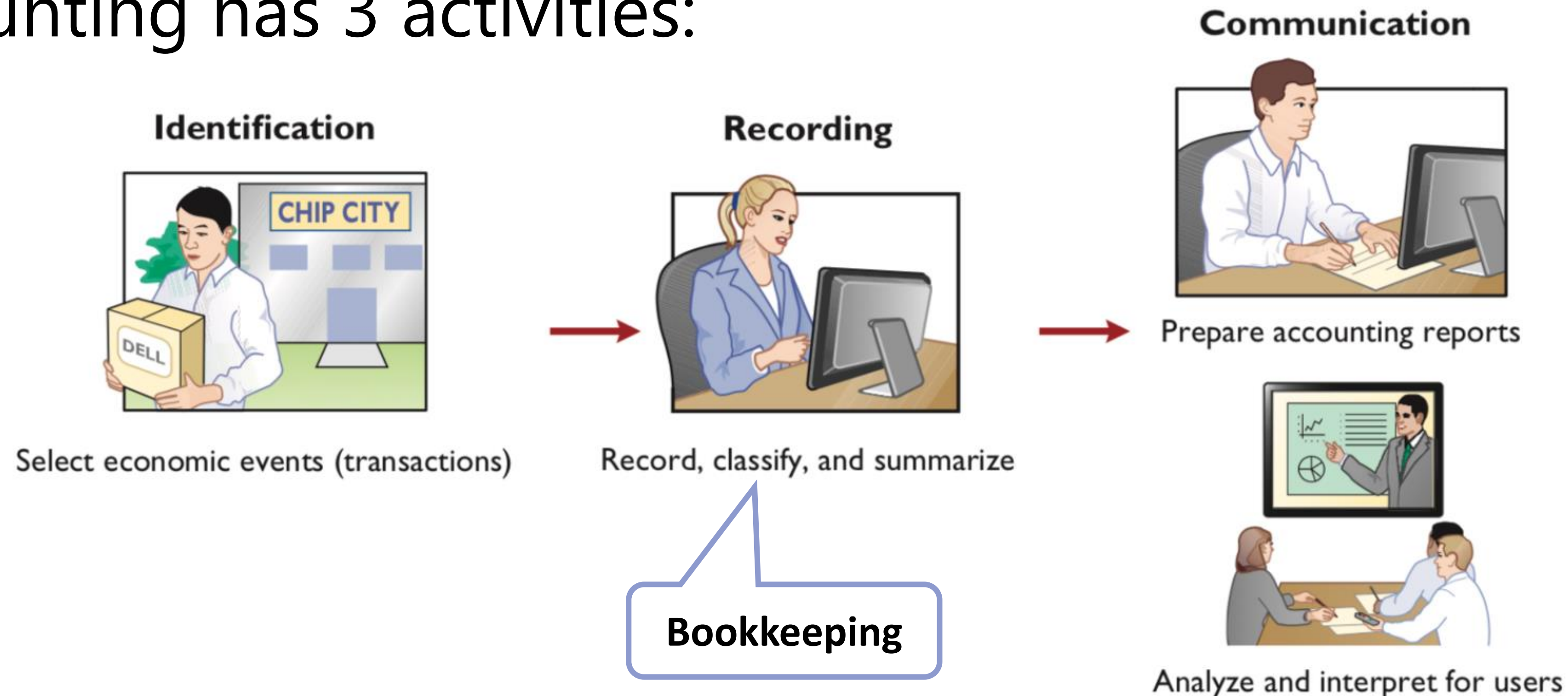
❑ It allows you to understand how a business is operated

- ❑ It is the first course for every business school student
- ❑ It is a tool for you to obtain and analyze useful information from companies



What is accounting?

- ❑ Accounting is “the language of business”. It is the information system that **identifies**, **records**, and **communicates** the economic events of an organization to interested users.
- ❑ Accounting has 3 activities:



An overview of business operations



Who uses accounting data?

Internal Users



Finance

Is cash sufficient to pay dividends to **SAP** shareholders?



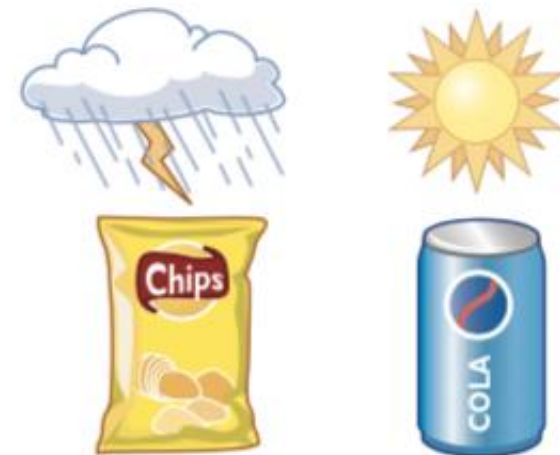
Marketing

What price should **Nokia** charge for a cell phone to maximize the company's net income?



Human Resources

Can **Toyota** afford to give its employees pay raises this year?



Snack chips Beverages

Management

Which **PepsiCo** product line is the most profitable? Should any product lines be eliminated?

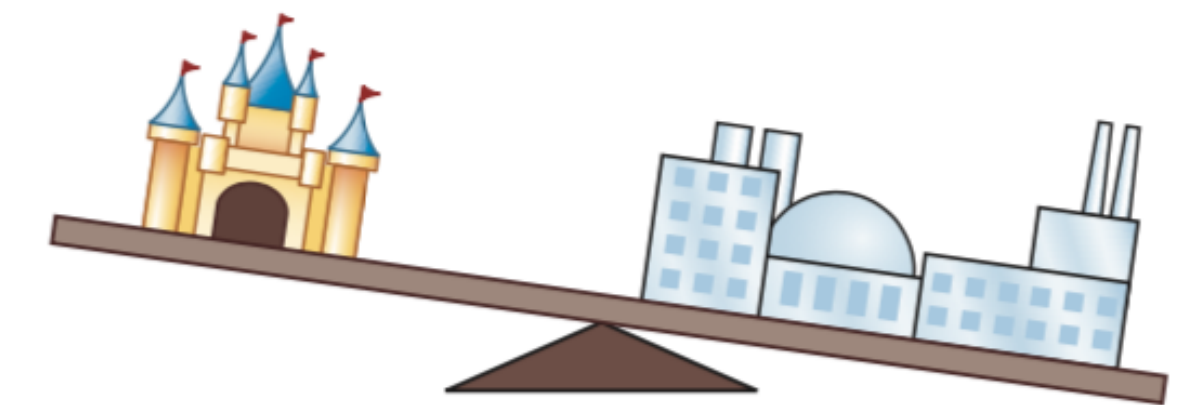
Managerial accounting

External Users



Investors

Is **Lenovo** earning satisfactory income?



Investors

How does **Disney** compare in size and profitability with **Time Warner**?



Creditors

Will **Singapore Airlines** be able to pay its debts as they come due?

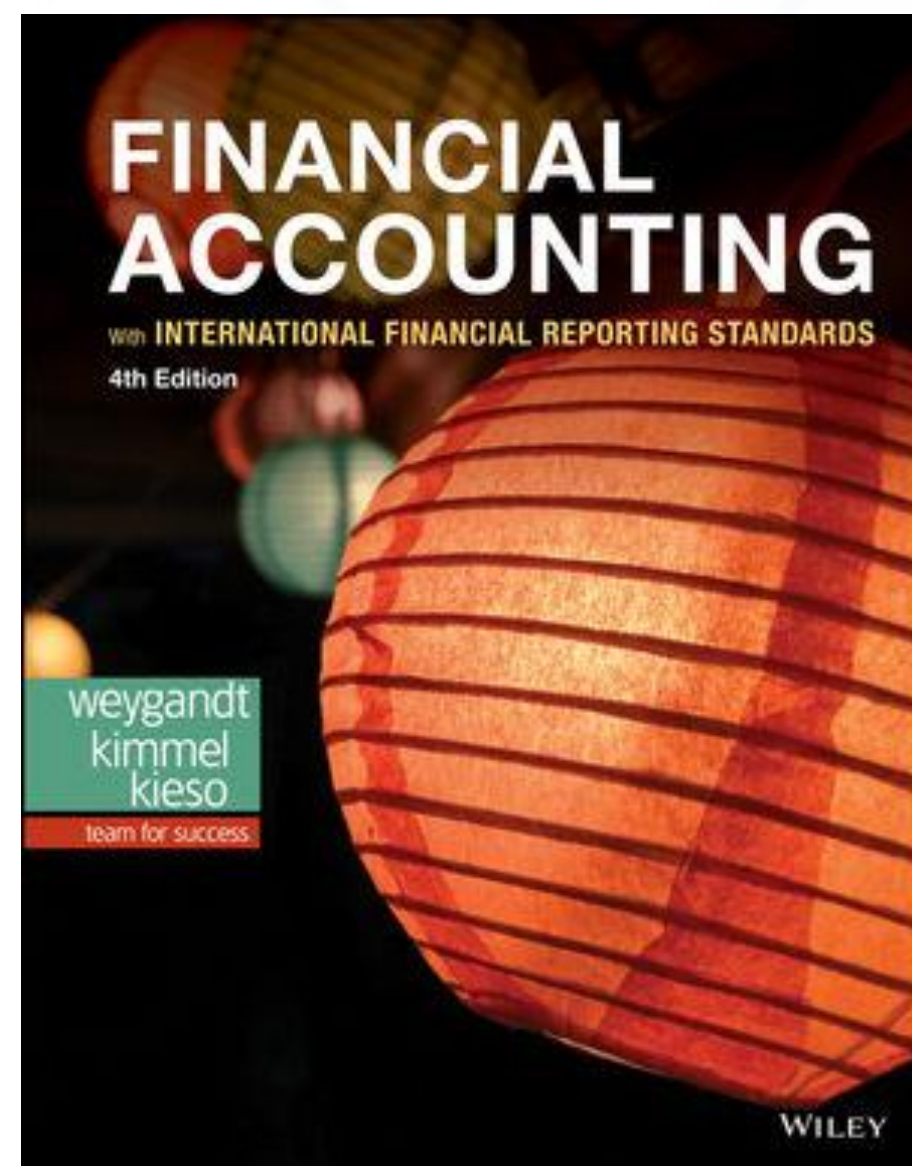
More external users

- Taxing authorities
- Regulatory agencies
- Labor unions

Financial accounting

How do we learn Introductory Financial Accounting?

- ❑ Textbook: **Financial Accounting with IFRS**
 - ❑ by Jerry J. Weygandt, Paul D. Kimmel, Donald E. Kieso
 - ❑ 4th Edition, eTextbook version with WileyPLUS system
- ❑ E-learning resources: **WileyPLUS**



Textbook



WileyPLUS

How do we learn Introductory Financial Accounting? (cont'd)

□ Activities:



Lectures



Tutorials
(since 3rd week)



Office hour consultation



Emails

cuhkszact2111@hotmail.com
(Mon-Fri)

□ Assessments:

- | | | |
|------------------------|--------------|----------------------------|
| □ Adaptive practice | (not graded) | } WileyPLUS |
| □ Tutorial questions | (10%) | |
| □ Homework assignments | (20%) | |
| □ Mid-term exam | (30%) | (scheduled on Nov 6, 2020) |
| □ Final exam | (40%) | (to be announced) |

Course outline

- ❑ Ch 1 Accounting in Action
- ❑ Ch 2 The Recording Process
- ❑ Ch 3 Adjusting the Accounts
- ❑ Ch 4 Completing the Accounting Cycle

- ❑ Ch 5 Accounting for Merchandise Operations
- ❑ Ch 6 Inventories
- ❑ Ch 8 Accounting for Receivables
- ❑ Ch 9 Plant Assets, Natural Resources, and Intangible Assets
- ❑ Ch 10 Current Liabilities
- ❑ Ch 11 Non-Current Liabilities
- ❑ Ch 12 Corporations: Organization, Share Transactions, and Equity
- ❑ Ch 14 Statement of Cash Flows

- ❑ Ch 15 Financial Analysis: The Big Picture

