APPLICATION FOR NEW COURSE

1. Submitted by College of Business & Economics Date April 21, 2003
   Department/Division offering course Accountancy

2. Proposed designation and Bulletin description of this course
   a. Prefix and Number ACC 621
      b. Title* See Attached
         *NOTE: If the title is longer than 24 characters (including spaces), write
         A sensible title (not exceeding 24 characters) for use on transcripts
      c. Lecture/Discussion hours per week 3
      d. Laboratory hours per week 0
      e. Studio hours per week 0
      f. Credits 3
   g. Course description
      See Attached
   h. Prerequisites (if any)
      Admission to MSACC program or consent of DGS
   i. May be repeated to a maximum of (if applicable)

4. To be cross-listed as
   Prefix and Number
   Signature, Chairman, cross-listing department

5. Effective Date Spring 2004 (semester and year)

6. Course to be offered
   □ Fall □ Spring □ Summer

7. Will the course be offered each year?
   (Explain if not annually)
   □ Yes □ No

8. Why is this course needed?
   See attached

9. a. By whom will the course be taught? School of Accountancy Faculty
   b. Are facilities for teaching the course now available?
      If not, what plans have been made for providing them?
      □ Yes □ No
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10. What enrollment may be reasonably anticipated?  **20 - 40**

11. Will this course serve students in the Department primarily?  
   Will it be of service to a significant number of students outside the Department?  
   If so, explain.

   The course will be of interest to students enrolled in the MBA program.

   Will the course serve as a University Studies Program course?  
   If yes, under what Area?  

12. Check the category most applicable to this course
   - ☑ traditional; offered in corresponding departments elsewhere;
   - ☑ relatively new, now being widely established
   - ☐ not yet to be found in many (or any) other universities

13. Is this course applicable to the requirements for at least one degree or certificate at the University of Kentucky?  
   ☑ Yes  ☐ No

14. Is this course part of a proposed new program: 
   If yes, which?  
   ☑ Yes  ☐ No

15. Will adding this course change the degree requirements in one or more programs?*  
   If yes, explain the change(s) below
   See attached
   ☑ Yes  ☐ No

16. Attach a list of the major teaching objectives of the proposed course and outline and/or reference list to be used.

17. If the course is a 100-200 level course, please submit evidence (e.g., correspondence) that the Community College System has been consulted.

18. Within the Department, who should be contacted for further information about the proposed course?  
   Name Thomas P. Howard  Phone Extension 257 1435

*NOTE: Approval of this course will constitute approval of the program change unless other program modifications are proposed.
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Signatures of Approval:

__________________________
Department Chair
Michael Deany
Dean of the College

__________________________
Date 4.21.03

__________________________
Date 5.9.03

__________________________
Date 5.2.03

Date of Notice to the Faculty

__________________________
*Undergraduate Council

__________________________
*University Studies

__________________________
*Graduate Council

__________________________
*Academic Council for the Medical Center

__________________________
*Senate Council (Chair)

*If applicable, as provided by the Rules of the University Senate

__________________________
Date of Notice to University Senate

ACTION OTHER THAN APPROVAL

Rev 8/02
#2b  Title (longer): Understanding Financial Statements
    Title (shorter): UNDERSTANDING FIN STATE

#2g: Financial statements communicate information about a business and its operations. Students will gain an understanding of the information being communicated (or not communicated) by the business entity. Emphasis is on the uses of information, rather than its preparation.

#8: The traditional undergraduate accounting program focuses on the preparation of accounting information. Students can become bogged down in individual parts of the process without realizing what the completed project looks like. In some ways this course will serve as a capstone course designed to provide the student with an appreciation for final objective, i.e., providing useful information to users.

#15: It is intended that this course become required for all students seeking the Master of Science in Accounting degree.

#16 Attached
Course Objectives

The primary objective for this course is to help you become knowledgeable users of financial statement information. (That is, the goal is to help you understand, not prepare, financial statements.) Financial accounting is a crucial business tool & the primary vehicle for communicating about a firm’s business economics & activities. Therefore, whether or not you plan to practice accounting, it is important to be able to effectively use financial accounting information for making your own and/or interpreting others’ business decisions. By the end of the course, you should be able to examine financial information (e.g., an income statement or footnote disclosure) & accounting-related articles in the Wall Street Journal or Business Week, and understand the business events (or tricks) that are being communicated (or not).

Required Background for the Course

In order to be able to effectively read financial statements, it is important to be comfortable with (not experts in) the mechanics underlying the reporting of economic events. While we will touch on the mechanics in class, our goal is to learn to infer the underlying business economics or events from disclosures in published financial statements and to understand games management can play with the financials. Thus, a basic understanding of the mechanics underlying the preparation of a Balance Sheet and Income Statement, a working knowledge of accounting terminology (e.g., debits and credits), and a fundamental understanding of journal entries and T-accounts are essential.

Course Pattern

The course divides naturally into two related parts. The first focuses on the “big picture” and introduces the accounting model, including the concepts, definitions, rules, & relationships required for a fundamental understanding of the process that produces the balance sheet, income statement, and statement of cash flows. It then covers the relations among MD&A, footnote disclosures and the financial statements to identify inconsistencies and potential problem areas. The second part considers, in more detail, the measurement & disclosure issues associated with selected assets, liabilities, and shareholder’s equity accounts. We study selected accounts to develop an understanding of how alternative Generally Accepted Accounting Principles (GAAP) shape the financial statements & our interpretation of them (as well as why management may choose one over another). As a precursor to the second part, we will introduce primary performance measures and financial ratios for companies to better understand the effect of different accounting choices on these measures.