S Y L L A B U S
ACCT 501 (F I N A N C I A L R E P O R T I N G)
SPRING 2012
THE AMERICAN UNIVERSITY IN CAIRO
School of Business
Department of Accounting

Instructor Name: Dr. Khaled M. Dahawy
Office Number: BEC 2001
Office hours: UW 5:00-6:00
By appointment
Telephone Number: 2615-3261
Mobile: 0100 300 6699
E-mail address: dahawy@aucegypt.edu

Teaching Assistant: Amal Ahmed
Office Number: BEC 2040
Office Hours: By appointment
Mobile: 01271846128
E-mail: amal_ahmed@aucegypt.edu

Vision of the School of Business
The School of Business sees itself becoming globally recognized as the leading business school connecting the region and the world.

Mission of the School of Business
The School of Business strives to create an environment that fosters the development of principled and innovative business leaders and entrepreneurs who can make a difference.

Mission of the Department of Accounting
The mission of the department of Accounting is to provide a world class accounting education to serve the needs of the business community and the accounting profession.
What is accreditation? Accreditation refers to a voluntary, non-governmental action taken by an institution to undergo periodic external evaluation in order to maintain high quality standards and programs. Accreditation reviews generally involve steps taken by the university to self-evaluate and clarify its goals and missions. Reviews are also often comprehensive; they assess all components of a healthy program: (a) people – administration, faculty, staff, and students; (b) research and intellectual contributions; (c) courses and curricula; and (d) strategic planning.

What is AACSB Accreditation? The Association to Advance Collegiate Schools of Business (AACSB) is the largest and most recognized specialized accreditation worldwide for business degree programs. In a recent study, 93% of a sample of 305 deans from AACSB-accredited and in-process institutions from Asia, Europe, North America, South America, and the Oceania reported that AACSB Accreditation has a continuous positive effect on their ongoing curricula development, program design, and delivery methods. Having AACSB accreditation facilitates the recruitment of high-caliber faculty. Graduating from an AACSB accredited university opens doors to the most exclusive and competitive career opportunities worldwide. To read more about the benefits of attending an AACSB accredited university online, go to: http://www.aacsb.edu/aacsb-accredited/students.asp#null.

Course Objectives:

Accounting is the means by which we measure and describe the results of economic activities. The basic purpose of accounting is to provide financial information about a business enterprise or any other economic entity.

Users of accounting information include a company’s manager, stockholder, bondholders, security analysts, suppliers, lending institutions, employees, labor unions, regulatory authorities, and the general public. They use the financial reports to make decisions. For example, potential investors use the financial reports as an aid in deciding whether or not to buy the stock. Suppliers use the financial reports to decide whether or not to sell merchandise to a company on credit. Labor unions use the financial reports to help determine their demands when they negotiate for employees. Management could use the financial reports to determine the company’s profitability.

Demand for financial reports exists because users believe that the reports help them in decision making. In addition to the financial reports, users often consult other relevant information sources, such as new wage contracts and economy-oriented releases.
The use of accounting information requires an understanding of:
1- The nature of the economic activities described in the accounting report.
2- The assumptions and measurement techniques involved in the accounting process.
3- How the accounting information relates to specific decisions and the limitations of this information.

This course concentrates on the development of the financial accounting information for the measurement of organizational performance and in the reporting of those measurements to interested users.

**Learning Goals:**

In addition to the specific objectives of the course, the material and activities have been selected to aid students in their progress towards achieving the following learning goals:

1. Ethics: Each student can recognize ethical reasoning and social responsibility and integrate them in making decisions.
2. Integrating Business Discipline: Each student will be able to integrate their knowledge in various business disciplines in decision making.
3. Leadership and Collaborative Decision Making: Each student will understand and demonstrate effective leadership styles, teamwork and collaborative behavior.
4. Communication: Each student will be able to effectively use communication and negotiation skills.
5. Each student will be able to demonstrate an understanding of accounting as a financial information system, with emphasis on preparing, analyzing and interpreting financial reports.

**Reading Material:**

**Basic Text:**

**Alternative References:**


As graduate students you are encouraged to use the library references for the coverage of the various topics. Articles from specified periodicals, other relevant materials, and assignments will be distributed in class.
**Class Routine:**
Classes will be conducted largely in a discussion/activity format. We will review and/or discuss the relevant materials, emphasizing important issues and analytical problem solving. At times, we will discuss cases and/or work on problems that appear in your text or the additional readings packet. Because of this, it is important that you bring these books and your calculators to class with you. You will also discuss course materials in groups, solve problems in groups, and make presentations to your fellow students. Therefore, you should read the assigned materials before class, and come to class prepared to participate.

**Grading System:**
Point system based on the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Weight</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid-Term Exam</td>
<td>25%</td>
<td>25&lt;sup&gt;th&lt;/sup&gt; March 2012</td>
</tr>
<tr>
<td>Final Exam</td>
<td>30%</td>
<td>Expected 13&lt;sup&gt;th&lt;/sup&gt; May 2012</td>
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<tr>
<td>Class Performance</td>
<td>10%</td>
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<tr>
<td>Assignments</td>
<td>10%</td>
<td></td>
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<tr>
<td>Group Project</td>
<td>25%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
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**Assignments:**
Class Assignments will be announced in class for submission one week later. No credit is granted for late assignments.

**Group Project:**
The class is divided into groups. Each group will submit a paper analyzing the financial performance for a 5-year period of a Corporation listed on the stock exchange. A one half hour presentation of each paper will be made and a brief summary of each paper will be circulated to all members of the class.

**Attendance:**
As stated in the university catalog, students are expected to attend class; and there is no system of permitted absences. Students may not normally receive credit for a course if more than three weeks of classes are missed. Details on AUC policy regarding attendance are contained in the University Catalog, p. 62.

**Academic Integrity:**

Preamble: Valuing the concepts of academic integrity and independent effort, the American University in Cairo expects from its students the highest standards of scholarly conduct. The University community asserts that the reputation of the institution depends on the integrity of both faculty and students in their academic pursuits, and that it is their joint responsibility to promote an atmosphere conductive to such standards. The AUC policy and procedures will be strictly applied. These procedures are contained in the University Catalog page 67-68 and are reproduced for your careful consideration and strict adherence.
## Course Outline:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Chapters</th>
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<tbody>
<tr>
<td>Accounting: Present and Past</td>
<td>1</td>
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<tr>
<td>Financial Statements and Accounting Concepts/ Principles</td>
<td>2</td>
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<tr>
<td>The Income Statement and the Statement of Cash Flows</td>
<td>9</td>
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<tr>
<td>Fundamental Interpretations Made from Financial Statement Data</td>
<td>3</td>
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<tr>
<td>Financial Statement Analysis</td>
<td>11</td>
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<tr>
<td>The Bookkeeping Process and Transaction Analysis</td>
<td>4</td>
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<tr>
<td>Accounting for and Presentation of Current Assets</td>
<td>5</td>
</tr>
<tr>
<td>Accounting for and Presentation of Property, Plant, and Equipment, and Other Non-current Assets</td>
<td>6</td>
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<tr>
<td>Accounting for and Presentation of Liabilities</td>
<td>7</td>
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<tr>
<td>Accounting for and Presentation of Owner’s Equity</td>
<td>8</td>
</tr>
<tr>
<td>Corporate Governance, Explanatory Notes and Other Disclosures</td>
<td>10</td>
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### Guest Speakers:

Three prominent professionals will be invited to discuss the following topics:
   1. The Accounting and Auditing profession in Egypt
   2. Financial reporting by Financial Institutions
   3. The ethical dimension in Accounting reports and disclosures