

COURSE FIN3040: FINANCIAL STATEMENTS

Level: Advanced

Theme: User/Analyst

Prerequisite: None

Description: Students examine the content and structure of financial statements, and prepare customized financial statements for a variety of businesses.

Parameters: Access to computers and software.

Curriculum and Assessment Standards

General Outcomes	Assessment Criteria and Conditions	Suggested Emphasis
<p><i>The student will:</i></p> <ul style="list-style-type: none"> • explain how a balance sheet reflects the financial position of a business on a specific date, and explain how the income statement reflects the financial operations of a business for a specific period of time • adapt the financial statements to various types of businesses • demonstrate basic competencies. 	<p><i>Assessment of student achievement should be based on:</i></p> <ul style="list-style-type: none"> • preparing a report (including tables, graphs, etc.) that deals with the purpose, format and components of an income statement and a balance sheet, and discusses adapting financial statements to various types of businesses. <p><i>Assessment Tool</i> <i>Financial Statements, FIN3040–1</i></p> <p><i>Standard</i> <i>Rating of 3</i></p> <p>OR</p> <ul style="list-style-type: none"> • preparing charts of accounts, balance sheets and income statements from data supplied. <p><i>Assessment Tool</i> <i>Assessment Tool for Financial Management Documents/Components, FINDOC–A</i></p> <p><i>Standard</i> <i>Rating of 3</i></p> <ul style="list-style-type: none"> • observations of individual effort and interpersonal interaction during the learning process. <p><i>Assessment Tool</i> <i>Basic Competencies Reference Guide and any assessment tools noted above</i></p>	<p>60</p> <p>40</p> <p>Integrated throughout</p>

COURSE FIN3040: FINANCIAL STATEMENTS (continued)

Concept	Specific Outcomes	Notes
Purpose and Format	<p><i>The student should:</i></p> <ul style="list-style-type: none"> • explain the purposes of the balance sheet and the income statement • outline and describe the reasons for the accepted formats • describe the purpose of notes to the financial statements • explain the difference between financial statements prepared from audited records and financial statements that have been reviewed by an auditor. 	<p>Collect annual reports from a variety of businesses, municipal and provincial government departments.</p> <p>Check your local library.</p>
Components of the Balance Sheet	<ul style="list-style-type: none"> • define the following: <ul style="list-style-type: none"> – assets – current assets – prepaid expenses – investments – intangible assets – fixed assets – liabilities – current liabilities – long-term liabilities – owner's equity • identify specific items within each component; e.g., current assets (petty cash, accounts receivables, allowance for doubtful accounts, inventory, etc.). 	<p>Prepare a glossary of terms.</p>

COURSE FIN3040: FINANCIAL STATEMENTS (continued)

Concept	Specific Outcomes	Notes
Components of the Income Statement	<p><i>The student should:</i></p> <ul style="list-style-type: none"> • define the following: <ul style="list-style-type: none"> – operating revenue – cost of merchandise sold – gross profit on operations – operating expenses – income from operations – other revenue – other expenses – net income • identify specific items within each component; e.g., cost of merchandise sold (opening inventory, purchases, purchases return and allowances, purchases discount, etc.). 	Prepare a glossary of terms.
Customized Financial Statements	<ul style="list-style-type: none"> • compare various accounts required by different types of businesses; e.g., service, retail, agriculture, manufacturing, construction and processing • prepare financial statements for different types of businesses. 	

