



UNIVERSITY OF KENTUCKY

ACC 621

TRANSMITTAL

JAN 12 2003

**The Graduate School**  
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**DATE:** January 7, 2004

**TO:** Rebecca Scott  
Senate Council

**FROM:** Lissa Holland  
Graduate Council

The Graduate Council met on November 20, 2003 and approved the following:

**COLLEGE OF BUSINESS AND ECONOMICS**

*Accountancy*

**ACC 621 Understanding Financial Statements (3 credits)**

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.

*Prerequisites:* Admission to MSACC program or consent of DGS

**MGT 641 Legal Issues in the Accounting Profession (3 credits)**

A study of various legal issues in the accounting profession. Among the topics covered are accountant's liability, commercial transactions, business organizations, property concepts and other issues in the legal environment that will be encountered in accounting practice.

*Prerequisites:* Admission to MSACC program or consent of DGS.

**ACC 691 Advanced Topics in Accounting (Title) (3 credits)**

Readings, projects, lecture, and/or discussion to illuminate current topics of special interest or concern in accounting. May not be repeated under the same title. A particular topic may be offered at most three times under the ACC 691 number.

*Prerequisites:* Admission to MSACC program or consent of DGS.

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 See attached

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?  Yes  No  
(Explain if not annually)

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?  Yes  No  
If not, what plans have been made for providing them?

## APPLICATION FOR NEW COURSE

10. What enrollment may be reasonably anticipated? 20 - 40

11. Will this course serve students in the Department primarily?  Yes  No

Will it be of service to a significant number of students outside the Department?  
If so, explain.  Yes  No

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

Will the course serve as a University Studies Program course?  Yes  No

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  Yes  No

See attached

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.

Print Form

Clear Form

APPLICATION FOR NEW COURSE

Signatures of Approval:

*[Handwritten Signature]*

Department Chair

*Michael*

Dean of the College

*Leamy*

*4-21-03*

Date

*5-9-03*

Date

*5-2-03*

Date of Notice to the Faculty

\*Undergraduate Council

Date

\*University Studies

Date

\*Graduate Council

Date

\*Academic Council for the Medical Center

Date

\*Senate Council (Chair)

Date of Notice to University Senate

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

ACTION OTHER THAN APPROVAL

**APPLICATION FOR NEW COURSE**  
**ACC 621**

- #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

**ACC 619: UNDERSTANDING FINANCIAL STATEMENTS  
SPRING 2003**

Professor: Linda McDaniel  
Contact Info: (859) 257-2018  
3556 Gatton  
[tarcat@uky.edu](mailto:tarcat@uky.edu)

### 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.