

ACT 542: Accounting for Decision Makers

A graduate-level introduction to the use of accounting information by decision makers. The focus of the course is on two subject areas: (1) financial reporting concepts/issues and the use of general-purpose financial statements by internal and external decision makers and (2) the development and use of special-purpose financial information intended to assist managers in planning and controlling an organization's activities. Generally accepted accounting principles and issues related to International Financial Reporting Standards are considered while studying the first subject area and ethical issues impacting accounting are considered throughout.

Learning Outcomes

A knowledge of accounting is a vital skill for everyone. Basic financial literacy is essential in managing one's own private finances but is also extremely important in any organization. Many people feel that because they are planning to pursue a career in something other than accounting, the study of that subject is not relevant to them. However, the great majority of decisions in any type of organization (whether 'for profit' or 'not-for-profit') have financial implications. For example, someone in the Human Resources section of an organization will need strong 'people' skills but will also have responsibility for the financial budget for the HR section (at a minimum, controlling the costs of that section). Consequently, this course is designed to provide students with an understanding of, and competency in, the language and process of accounting so that you can discuss intelligently the financial implications of your future decisions. The course will also emphasize the use of accounting in basic organizational decision making. The overall aims of this course include the following:

To provide students with a basic understanding of the economics of business; E.g., how cash flows through a business; what are the resources of an entity; how are those resources funded; what are the different sources of funding; short-term liquidity and working capital management

To introduce students to the role of accounting and how accounting captures information about the economics of an entity. For example:accounting provides information about: financial resources and obligations (via the balance sheet), financial performance (via the income statement), and about the cash flows (and their different types) via the cash flow statements)

Textbook

Birt, J., Chalmers, K., Byrne, S., Brooks, A. and Oliver, J., Accounting: Business Reporting for Decision Making, 2012, 4th edition, Wiley & Sons.