

**ACCOUNTING
AND FINANCIAL
ADMINISTRATION AFA**

College of Business

200H. Honors Work

Fall, Winter, Spring. 1 to 10 credits.

Semi-independent study covering content of AFA 201 and AFA 202, for Honors College students or others with a 3.50 grade-point average; or independent research on selected accounting topics.

201. Principles of Accounting

Fall, Winter, Spring, Summer. 5(5-0)

Sophomores or approval of department.

Study of fundamental principles applicable to the accounting cycle, asset valuation, income determination, financial reporting, basic business taxes, and owner's equity.

202. Principles of Accounting

Fall, Winter, Spring, Summer. 5(5-0)

AFA 201.

Management uses of accounting data for decision making; analysis, budgeting and control of business costs with emphasis on manufacturing costs; accounting for cash and working capital flows; effects of sales volume and income taxes on business decisions.

300. Intermediate Accounting: Assets

Fall, Winter, Spring, Summer. 4(4-0)

AFA 202, Juniors.

Examination at the professional level of problems in the definition and evaluation of assets and determination of periodic net income. Earnings per share, accounting changes, price level accounting, fair value accounting.

**301. Intermediate Accounting:
Equities**

Fall, Winter, Spring, Summer. 4(4-0)

AFA 300, Juniors.

Examination at the professional level of problems in the definition and valuation of liabilities and stockholders' equity. Leases, pension liabilities, income tax allocation, actuarial applications in debt measurement, funds statements.

303. Cost Accounting

Fall, Winter, Spring, Summer. 4(4-0)

AFA 300.

Product costing, overhead cost analysis, standard costs, variance analysis, contribution accounting, flexible budgeting, responsibility accounting.

330. Survey of Accounting Concepts

Fall, Winter, Spring. 4(4-0) Not open to

majors in the College of Business except in Economics.

Basic approach to accounting concepts underlying income determination, asset valuation, and managerial planning and control. Interpretation of financial statements, and development of costing techniques and budgets.

333. Elements of Tax Accounting

Fall, Winter. 4(4-0) AFA 202. Not open

to Accounting majors.

Nonprofessional approach to basic concepts of income taxation applicable to individual taxpayers and small business firms.

350. Principles of Risk and Insurance

(BIO 350.) Fall, Winter, Spring, Summer. 4(3-0) Juniors or approval of department.

Risk and risk meeting methods with emphasis on the insurance mechanism. Fundamental principles, legal relationships, types of carriers and organization; principal types of coverage and industry regulation.

391. Financial Management

Fall, Winter, Spring, Summer. 5(5-0)

AFA 202, Juniors.

Basic principles and theoretical framework leading to sound financial management decisions. Role of the financial manager in achieving optimal financial position of the firm. Management of a firm's assets and financing needs.

392. Investment Planning

Fall, Winter. 5(5-0) AFA 391.

Financial analysis of various investment alternatives facing the individual. Emphasis on role of security analysis in management of investment program. Extensive use of illustrations which relate general principles to the current environment.

395. Principles of Urban Real Estate Administration

(BIO 395.) Fall, Spring. 4(4-0) AFA 391

or approval of department; EC 201.

Concepts of urbanism, city functions and city growth. Examines physical, locational, legal, social and economic factors, role of markets, governments and finance. Theories and techniques of valuing urban real estate.

396. Personal Risks and Insurance

(BIO 396.) Fall, Summer. 5(5-0) AFA

350 or Juniors in business administration.

Personal risk analysis and personal insurance. Emphasis on life, health, automobile, fire and liability insurance. Programming personal insurance. Estate analysis and trusts. Social and economic aspects of personal insurance.

397. Social Insurance Topics

(BIO 397.) Fall. 4(4-0) EC 200.

Systematic study of the legal, actuarial, social and political aspects of social insurance. Federal and State programs. Problems, solutions and potential alternatives.

401. Federal Income Tax Accounting I

Fall, Winter. 4(4-0) AFA 300 and AFA

301, Seniors.

Basic concepts, applicable to all taxpayers, of tax management, exempt incomes, nondeductible items, corporate distributions, amortization, periodic computation of income, realization and recognition of incomes and deductions.

402. Federal Income Tax Accounting II

Winter, Spring. 4(4-2) AFA 401.

Advanced federal tax concepts, including taxation of individuals, partnerships, trusts and estates, corporations. Gift and estate taxes.

410. Auditing

Fall, Winter. 4(4-0) AFA 300, CPS 110,

MTA 317.

Functions of financial audits and auditors' reports; audit evidence and techniques; internal control review and evaluation; application to selected financial statement topics; applications of statistics; audit of EDP systems; auditors' ethical and legal responsibilities.

420. Managerial Cost Analysis

Winter, Summer. 4(4-0) AFA 303.

Functional uses of accounting in management of the firm. Profit center and cost center performance measurement. Administrative and distribution cost control. Operating and program budgets, cost analysis models.

421. Accounting Information Systems

Fall, Spring. 4(4-0) AFA 303 or approval of department.

Planning and operation of accounting systems, flow charting of financial and cost data movement; special attention to accounting applications of commercially available electronic computing systems.

430. Advanced Accounting

Spring, Summer. 4(4-0) AFA 300, AFA

301.

Partnerships; home office and branch; parent and subsidiary companies; business combinations; diversified companies and their subunits; governmental funds; principal and income on estates and trusts.

468. Field Studies

Fall, Winter, Spring, Summer. 1 credit.

May reenroll for a maximum of 2 credits. 18-27 credits in Accounting and Financial Administration and approval of department 4 weeks prior to enrollment. Not open to graduating Seniors.

Internship in public or industrial accounting.

486. Business Risks and Insurance

(BIO 486.) Winter. 5(5-0) AFA 350 or

Seniors in business administration.

Business insurance as it relates to business risks and decision making. Emphasis on business exposures, coverages and problems of the risk manager.

487. Management of Insurance Enterprise

(BIO 487.) Spring. 5(5-0) AFA 350 or

approval of department.

Organizational requirements and functional operations of insurance enterprise with emphasis on methods of ratemaking, reserves, financial statement and investment requirements, loss adjustment, underwriting, and marketing. Statutory limitations on management freedom.

491. Market Strategy in Financial Management

Fall. 5(5-0) AFA 391.

Survey of money and capital markets, of fluctuating economic and governmental forces that influence them and of the appropriate strategies of financial managers both in financial and non-financial businesses in securing funds from or employing funds in these markets.

492. Institutional Investment Management

Winter. 5(5-0) AFA 392.

Construction and administration of portfolios for major types of institutions, such as commercial banks, savings institutions, pension funds, trust accounts, life insurance companies, mutual funds, etc. Extensive use of cases.

493. Advanced Financial Management

Spring. 5(5-0) AFA 492.

Advanced study of current and fixed asset management and methods of financing. Topics include capital budgeting, financial structure valuation, merger and reorganization.

- 495. Special Problems**
Fall, Winter, Spring, Summer. 1 to 4 credits. Senior AFA major, approval of department.
Independent study of special topics in accounting, finance or insurance.
- 800. Contemporary Accounting Theory I**
Fall, Summer. 4(4-0) AFA 300.
Theoretical accounting models. Review of historical development of accounting thought. Exploration at the conceptual level of the nature and measurement of assets, liabilities, stockholders' equity, revenue, expense, and income.
- 801. Contemporary Accounting Theory II**
Winter, Summer. 4(4-0) AFA 800.
Continuation of AFA 800. An examination of problem areas and a review of existing practices in the measurement of periodic income and of financial position in the light of concepts and principles explored in AFA 800.
- 802. Advanced Federal Tax Accounting**
Winter, Spring. 4(5-0) AFA 401.
Advanced federal tax concepts, including taxation of corporations, partnerships, estates, and trusts. Gift and estate taxes.
- 803. Taxation of Partnerships and Corporation**
Winter. 4(4-0) AFA 401.
Taxation of partnerships and corporations—formation operation, distributions, dissolutions, reorganization, return preparation.
- 804. Taxation of Decedents, Trusts, Estates, and Gifts—Estate Planning**
Spring. 4(4-0) AFA 802, AFA 803.
Federal income taxation of decedents, trusts and estates; federal gift tax; federal estate tax; social security taxes and benefits, Michigan inheritance tax, estate planning.
- 810. Contemporary Auditing Theory**
Spring. 4(4-0) MGT 832.
Theory of the attest function and of audit evidence; internal control evaluation; applications of statistics; audits of EDP systems; types of auditors' reports; extensions of the attest function; auditors' ethical and legal responsibilities.
- 817. Quantitative Applications in Accounting and Finance**
Winter. 4(4-0) MGT 833.
Application of quantitative techniques to accounting, finance, and control activities, especially involving the data requirements of managerial decision models.
- 818. Research Techniques in Accounting and Finance**
Spring. 4(4-0) MTH 113, ED 969C.
Properties of time series in accounting and finance with emphasis on ARIMA model and transfer-function model development. Applications and potential research areas.
- 820. Cost Analysis and Budgeting**
Fall, Summer. 4(4-0) AFA 840 or undergraduate accounting major.
Examination of concepts and rationale underlying managerial accounting methods. Advanced topics in cost control, segmental profit and performance measurement, transfer pricing. Budgeting philosophy, organization and procedures.
- 821. Advanced Accounting Information Systems**
Winter. 4(4-0) AFA 421.
Application of general systems concepts to functional, accounting, operational, and related information requirements in business. Data banks, real-time accounting and operating controls; integrated information systems. Case histories and case projects.
- 839. Accounting Concepts and Processes**
Fall, Summer. 4(4-0) Graduate standing. For MBA students without a background in accounting.
Financial accounting and reporting. Nature and measurement of assets, liabilities, stockholders' equity, expense, and revenue. Expense and revenue recognition. Funds flow and cash flow analysis. Manufacturing cost flows and income determination. Basic matters in income taxation.
- 840. Managerial Accounting**
Fall, Winter, Spring, Summer. 4(4-0) AFA 839.
Accounting for planning and control. Cost behavior. Standards and flexible budgets for control. Responsibility accounting and the contribution approach. Relevant cost analysis for problem solving. Quantitative techniques in accounting measurement.
- 850. Risk Management and Insurance Concepts**
Winter, Summer. 4(4-0)
Analysis of business exposures and risk management techniques. Risk meeting alternatives and their economic, legal, and social implications. The role of insurance and employee benefits in risk management.
- 855. Market Cost-Revenue Analysis**
Winter. 4(4-0) One course in accounting and one in marketing. Interdepartmental with and administered by the Department of Marketing and Transportation Administration.
Analytical tools for use in planning and controlling marketing activities. Emphasis on the determination of factors causing marketing cost differences and the assignment of costs to those factors. Application of tools to determination of expenditure-revenue patterns and market potentials.
- 871. Portfolio Theory and Capital Markets**
Fall, Spring. 4(4-0) AFA 300 or AFA 839, AFA 391 or AFA 888.
Theoretical and empirical development in portfolio analysis and capital markets. Included topics are implementation of the Markowitz and Sharpe portfolio models, development and implications of the capital asset pricing model, and empirical studies of capital markets.
- 872. Management and Financing of Corporate Assets**
(891.) Fall, Summer. 4(4-0) AFA 871 or concurrently, AFA 300 or AFA 839, AFA 391 or AFA 888.
Principles of decision analysis in management of current assets, estimation of requirements for short term funds, and valuation of capital budgeting and merger proposals. Analysis of actual business cases is supplemented by selected readings.
- 873. Long Term Financial Policies**
(892.) Winter, Summer. 4(4-0) AFA 871.
Planning capital structure and the cost of capital. Examines fundamental considerations of raising capital, debt management, dividend policy and problems in public issues. Analysis of actual business cases is supplemented by selected readings.
- 874. Investment Strategy**
(893.) Spring, Summer. 4(4-0) AFA 871.
Analysis of various theories and techniques available to achieve superior selection and management of securities. Review and evaluation of significant literature in security analysis and investment.
- 878. Bank Management**
Spring. 4(4-0) AFA 889 for nonfinance majors; AFA 871 for finance majors.
Provides a comprehensive working knowledge of commercial bank management. Topics include capital adequacy, liquidity, public policy and bank failures, regulation, consumer protection, and other internal and external banking industry issues.
- 888. Financial Concepts and Analysis**
Fall, Winter. 4(4-0) AFA 839. For MBA students without a background in finance.
Principles of managerial finance. Working capital management, capital budgeting and methods of finance aimed at maintaining liquidity and profitability are considered. Emphasis is on decision making.
- 889. Financial Decision Making**
Fall, Winter, Spring, Summer. 4(4-0) AFA 888, AFA 840 or concurrently; MGT 833.
Financial planning and control at corporate officer level. Investment decisions, growth and expansion strategies, dividend policy. Interaction of finance with other corporate functions, and of the firm with the financial community.
- 890. Special Problems**
Fall, Winter, Spring, Summer. Variable credit. Approval of department.
- 900. Seminar in Accounting Theory**
Fall. 4(4-0)
Theory construction and verification. Alternative approaches to structuring accounting theories. Formulation of research projects in accounting.
- 901. Seminar in Management Accounting**
Winter. 4(4-0)
Research on the use of accounting information by managers and on the impact of accounting information on managerial decision making.
- 902. Seminar in Accounting Research**
Spring. 1 to 4 credits. May reenroll for a maximum of 6 credits if different topics are taken. Doctoral students.
Research and research methodology in special accounting topics such as information economics, information systems, auditing, taxation, and behavioral accounting.
- 991. Seminar in Financial Management**
Fall, Winter. 5(5-0)
Seminar dealing with current unresolved problems in the field of financial management. Both micro and macro aspects of the field are investigated, including such areas as models for financial decision making, money and capital markets, and international finance.
- 999. Doctoral Dissertation Research**
Fall, Winter, Spring, Summer. Variable credit. Approval of department.