

1.11 Elective Courses (Semester 9 and 10)

CB518 Financial Manag. & Accounting In Const.

COURSE INFORMATION

Prerequisites	Academic Year & Level		Teaching Methods			Credit Hrs.
	Year	Semester	Lecture	Tutorial	Laborator y	
CB516	5	9 – 10	2	2	0	3

COURSE AIM

The course aims at introducing the student to the fundamentals of accounting, financial analysis and management in construction.

COURSE WEEKLY CONTENTS

- 1 Basics of accounting: Role of accounting in construction projects, and introduction to basic financial statements. Recognizing income in construction projects.
- 2 Basics of accounting (continued): Role of accounting in construction projects, and introduction to basic financial statements. Recognizing income in construction projects.
- 3 Compilation of financial statements: Transaction recording, T-accounts, ledgers and the compilation of financial statements.
- 4 Analysis of financial statement: Vertical and horizontal analysis of financial statements. Cash conversion cycle analysis.
- 5 Analysis of financial statement (continued): Analysis of profitability, short and long term liquidity, and financial structure based on financial statements.
- 6 Analysis of financial statement (continued): Analysis of profitability, short and long term liquidity, and financial structure based on financial statements.
- 7 Aspects of accounting and financial management in the construction industry: Construction sensitivity to economy and its effect on sales and profits. Leverage of equity and effect on risk and bankruptcy. + Midterm Exam
- 8 Cash flow projection and analysis: The projection of cash flow from schedules, cost estimates and project financing. Cash traps. Analysis of cash flow and impact on project and company. S-curves.
- 9 Cash flow projection and analysis (continued): The projection of cash flow from schedules, cost estimates and project financing. Cash traps. Analysis of cash flow and impact on project and company. S-curves.
- 10 Project financing: Sources of financing, and cost of financing. Working with banks, customers, and investors.
- 11 Budgeting: Basics of financial planning. Budgeting as a financial planning tool. Development of the budget and its utilization.
- 12 Budgeting (continued): Basics of financial planning. Budgeting as a financial planning tool. Development of the budget and its utilization.

- 13 Cost control and introduction to cost accounting: Control of construction projects. Cost and budget updates and variance analysis. The basics of cost accounting; break even analysis, product costing.
- 14 Cost control and introduction to cost accounting (continued): Control of construction projects. Cost estimation and budget updates and variance analysis. The basics of cost accounting; break even analysis, product costing.
- 15 Risk-return relationship: Making investment decisions. Evaluating return on investment and associated risks. Risk-return tradeoff relationship.

STUDENT GRADING & ASSESSMENT

Weeks	Exams	Assign.	Quizzes	Reports	Present.	Lab.	Total
1 to 7	20 Midterm	←	10	MARKS		→	30
To be freely distributed among possible assessments							
8 to 12		←	20	MARKS		→	20
13 to 15		←	10	MARKS		→	10
16 or 17	40 Final						40
Total	Exams	Assign.	Quizzes	Reports	Present.	Lab.	100

REFERENCES

Textbook Construction Accounting and Financial Management, Peterson, S. J., Prentice Hall, USA, 2004.

Other Construction Accounting, Atrian, Prentice Hall, Englewood Cliffs, N.J., USA, 1990.

Construction Accounting and Financial Management, Coombs & Polwer, McGraw Hill, USA, 1995.

Financial Management for Contractors, Jackson I.J. Jackson, III, McGraw-Hill, USA, 1990.