

ACCT A101: FINANCIAL ACCOUNTING

Item	Value
Curriculum Committee Approval Date	11/15/2017
Top Code	050200 - Accounting
Units	4 Total Units
Hours	80 Total Hours (Lecture Hours 68; Lab Hours 12)
Total Outside of Class Hours	0
Course Credit Status	Credit: Degree Applicable (D)
Material Fee	No
Basic Skills	Not Basic Skills (N)
Repeatable	No
Grading Policy	Standard Letter (S), • Pass/No Pass (B)

Course Description

Fundamentals of financial accounting relating to corporations. Application of widely used accounting theory and practice for both service and merchandise enterprises. Preparation and analysis of financial statements. Enrollment Limitation: ACCT A101H; students who complete ACCT A101 may not enroll in or receive credit for ACCT A101H. Transfer Credit: CSU; UC. C-ID: ACCT 110.C-ID: ACCT 110.

Course Level Student Learning Outcome(s)

1. Demonstrate knowledge of an accounting cycle by performing appropriate accounting functions.
2. Demonstrate ability to prepare financial statements for a corporation.
3. Prepare accounting entries required for a service versus merchandising business.

Course Objectives

- 1. Explain the nature and purpose of generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRS). Explain and apply the components of the conceptual framework for financial accounting and reporting, including the qualitative characteristics of accounting information, the assumptions underlying accounting, the basic principles of financial accounting, and the constraints and limitations on accounting information.
- 2. Define and use accounting and business terminology.
- 3. Explain what a system is and how an accounting system is designed to satisfy the needs of specific businesses and users; summarize the purpose of journals and ledgers.
- 4. Apply transaction analysis, input transactions into the accounting system, process this input, and prepare and interpret the four basic financial statements.
- 5. Distinguish between cash basis and accrual basis accounting and their impact on the financial statements, including the revenue recognition and matching principles.
- 6. Identify and illustrate how the principles of internal control are used to manage and control the firms resources and minimize risk.

- 7. Explain the content, form, and purpose of the basic financial statements (including footnotes) and the annual report, and how they satisfy the information needs of investors, creditors, and other users.
- 8. Explain the nature of current assets and related issues, including the measurement and reporting of cash and cash equivalents, receivables and bad debts, and inventory and cost of goods sold.
- 9. Explain the valuation and reporting of current liabilities, estimated liabilities, and other contingencies.
- 10. Identify and illustrate issues relating to long-term asset acquisition, use, cost allocation, and disposal.
- 11. Distinguish between capital and revenue expenditures.
- 12. Identify and illustrate issues relating to long-term liabilities, including issuance, valuation, and retirement of debt;(including the time value of money).
- 13. Identify and illustrate issues relating to stockholders equity, including issuance, repurchase of capital stock, and dividends.
- 14. Explain the importance of operating, investing and financing activities reported in the Statement of Cash Flows.
- 15. Interpret company activity, profitability, liquidity and solvency through selection and application of appropriate financial analysis tools.
- 16. Identify the ethical implications inherent in financial reporting and be able to apply strategies for addressing them.

Lecture Content

Course Overview Introduction of Accounting as an Information System. Definition of Accounting Users of Accounting Information The Accounting Profession Introduction of the Accounting Equation Analysis of Financial Transactions Introduction to Financial Statements The Recording of Accounting Data Introduction of Concepts and Principles of Accounting Rules of Debits and Credits Normal Account Balances The General Journal The General Ledger Errors in Recording Transactions The Accounting Cycle to Include Adjusting and Closing Entries for a Service Enterprise The Elements and Steps of Gathering and Processing Adjusting Information The Matching and Revenue Concepts Effects of Omitting Accounting Adjustments Relationships between Financial Statements Completing the Accounting Cycle Accounting Worksheet Making of Financial Statements Closing of the Books Ratios Study of the Accounting Cycle of a Merchandising Enterprise Periodic vs. Perpetual Inventories Purchase of Inventory Using a Perpetual Inventory System, Quantity Buy, Cash Discounts, Purchase Returns, and Fobs Sale of Inventory and the Cost of Goods Sold Sales Discounts and Sales Return and Allowances Gross Profit as a Number and a Percent Multiple Step vs. Single Step Income Statements Application of the Information in Decision Making Study of the Accounting System and the Protection of Cash Fraud in Business Internal Controls for Fraud Internal Controls for Cash Petty Cash Notes and Accounts Receivables Characteristics of a Promissory Note Computat ion of Simple Interest Recording of Notes Dishonored Notes Uncollectible Accounts Receivable Allowance and Write Off Methods Valuation of Inventory Significance of Inventory as a Current Asset to a Merchandising Firm. Quantity Count for Perpetual Inventory Systems Costing of Inventory Using Fifo, Lifo, and Average Cost Economic Conditions and the Impact on Inventory Valuation. Effects of Errors on Inventory. Depreciation, Amortization, and Depletion of Long Lived Assets Costing of Assets for Depreciation Methods of Depreciation Tax Implications When Depreciating Assets Discard, Sale, and Exchange of Assets Accounting for Natural Resources Accounting for Intangible Assets Current Liabilities and Accounting for Payroll Short

Term Liabilities The Payroll System Employee Compensations Payroll Taxes of Employees Payroll Taxes of Employers. Student Exercises Long-Term Liabilities: Bonds Characteristics of Bonds Bond Trading in the Marketplace Bonds Sold at Premiums and Discounts Introduction to Future and Present Value Real World Financial Data Application Corporate Form of Business Characteristics of Corporations Classes and Rights of Stockholders Issuance of Stock Study of the Stockholders Equity Section of the Balance Sheet Use of Current Financial Reports The Purchase of Treasury Stock Computations of Dividends - Cash and Stock Use of Financial Ratios Real World Application Statement of Cash Flows I. Statement of Cash Flows – Usefulness and Format nb II. Statement of Cash Flows – Indirect Method III. Statement of Cash Flows – Direct Method Financial Statement Analysis I. Basic Analytical Tools – Horizontal and Vertical Analysis II. Ratio Analysis (Liquidity, Solvency, and Profitability Ratios) III. Corporate Annual Report Analysis Financial reporting rules and disclosure I. US Generally Accepted Accounting Principles (GAAP) II. International standards, such as International Financial Reporting Standards (IFRS) Ethical issues

Lab Content

Financial Statement Preparation Basic Journal Entries Adjusting Journal Entries

Method(s) of Instruction

- Lecture (02)
- DE Live Online Lecture (02S)
- DE Online Lecture (02X)
- Lab (04)
- DE Live Online Lab (04S)
- DE Online Lab (04X)

Instructional Techniques

1. PowerPoint slides, lecture and application of concepts 2. Individual and group problem-solving activities 3. Guest lectures 4. Internet assignments

Reading Assignments

The course requires approximately 68 hours of assigned readings from the text.

Writing Assignments

1. Analysis of accounting data 2. Interpretation of financial reports 3. Cases problems in accounting

Out-of-class Assignments

The course requires approximately 68 hours of Assigned readings, exercises and problems from the text, in addition to the "Reading Assignments".

Demonstration of Critical Thinking

Exams on course content testing recall, comprehension, analysis and problem solving skills Computing assignments (manually and computerized), written assignments, group activities involving selected topics appropriate to subject matter. Final examination

Required Writing, Problem Solving, Skills Demonstration

1. Analysis of accounting data 2. Interpretation of financial reports 3. Cases problems in accounting

Eligible Disciplines

Accounting: Masters degree in accountancy or business administration with accounting concentration OR bachelors degree in business with accounting emphasis or business administration with accounting emphasis or economics with an accounting emphasis AND masters degree in business, business administration, business education, economics, taxation, or finance OR the equivalent. Masters degree required. (NOTE: A bachelors degree in accountancy or business administration with accounting concentration, with a CPA license is an alternative qualification for this discipline)

Textbooks Resources

1. Required Wild, John J.. Financial Accounting: Information for Decisions, ed. Columbus: McGraw Hill, 2018 Rationale: - 2. Required Weygandt, Jerry, Donald Kieso, Paul Kimmel. Financial Accounting , ed. Hoboken: John Wiley Sons, 2018 Rationale: -

Other Resources

1. Financial Accounting Standards Board website FASB.org 2. Financial Accounting Workbook