

ACCT C101: FINANCIAL ACCOUNTING

| Item | Value |
|------------------------------|---|
| Top Code | 050200 - Accounting |
| Units | 4 Total Units |
| Hours | 90 Total Hours (Lecture Hours 63; Lab Hours 27) |
| 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

This is the study of accounting as an information system, examining why it is important and how it is used by investors, creditors, and others to make decisions. The course covers the accounting information system, including recording and reporting of business transactions with a focus on the accounting cycle and the application of generally accepted accounting principles, the financial statements, and statement analysis. Students will analyze issues relating to asset, liability, and equity valuation; and revenue and expense recognition, cash flow, internal controls, and ethics and will record financial transactions and interpret financial statements. This course meets the accounting-related or business related course requirements needed to sit for the CPA exam. ADVISORY: Eligibility for ENGL C1000 and a course taught at the level of beginning algebra or appropriate math placement. Transfer Credit: CSU; UC. C-ID: ACCT 110.C-ID: ACCT 110.

Course Level Student Learning Outcome(s)

1. Identify accounting elements of service and merchandising business transactions in terms of the accounting equation.
2. Analyze, record in applicable journals, and subsequently post to a general ledger and prepare financial statements: Statement of Income, Statement of Owner's/Stockholders Equity, Balance Sheet, and Statement of Cash Flows and the closing process completed.

Course Objectives

- 1. Describe the nature and purpose of generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRS).
- 2. Define the components of the conceptual framework for financial accounting and reporting, including the objectives, qualitative characteristics, elements, assumptions, principles, and constraints.
- 3. Define an accounting information system and its components, including accounts, journals, ledgers, and trial balances.
- 4. Apply transaction analysis, input transactions into an accounting system, process this input, and prepare financial statements and related footnote disclosures.
- 5. Describe the accrual basis of accounting and its underlying principles of revenue recognition, expense recognition, and matching. Discuss the impact of cash basis versus accrual basis on the financial statements.

- 6. Utilize internal control mechanisms to procure accurate financial reporting, protect assets, comply with regulations, and manage risk.
- 7. Outline the accounting and reporting for current assets, including the measurement and reporting of cash and cash equivalents, receivables and bad debts, inventory and cost of goods sold, and prepaid expenses.
- 8. Illustrate accounting issues for long-lived assets, including acquisition, capital expenditures versus minor repairs, depreciation, and disposal.
- 9. Analyze the accounting, reporting, and valuation of current liabilities - compute payable balances, estimate accrued liabilities, and evaluate contingencies.
- 10. Illustrate accounting for long-term liabilities - debt issuance, loan amortization, debt maturity and retirement, and valuation with consideration for the time value of money.
- 11. Illustrate the accounting for stockholders equity such as stock issuance, repurchase, and dividends.
- 12. Compile a statement of cash flows by categorizing an entity's operating, investing, and financing activities, reconciling financial statement balances, providing all necessary disclosures, etc.
- 13. Conduct financial analysis to assess an entity's profitability, liquidity, solvency, and leverage levels.

Lecture Content

Purposes and uses of accounting information Identify the users and uses of accounting information. Describe the content and purpose of each of the financial statements. Define and use accounting as well as business terminology. The accounting cycle Describe the required steps in the accounting cycle. Define debits and credits; explain how they are used to record business transactions. Identify the basic steps in the recording process. Explain what a journal is and how it helps in the recording process. Cash and accrual accounting Explain the revenue recognition and matching principles. Distinguish between cash basis and accrual, as well as their impact on the financial statements. Explain why adjusting entries are needed, and identify the major types of adjusting entries. Prepare adjusting entries for deferrals and accruals. Internal controls Define fraud and internal control. Identify the principles of internal control activities. Identify and illustrate how the principles of internal control are used to manage and control the firm's resources as well as minimize risk. Financial reporting rules and disclosure, including international standards, such as International Financial Reporting Standards (IFRS) Explain the nature and purpose of Generally Accepted Accounting Principles GAAP. Explain the nature and purpose International Financial Reporting Standards IFRS. Differentiate between GAAP and IFRS. Current assets Explain the reporting of cash. Identify the different types of receivables. Explain the financial statement and tax effects of each of the inventory cost flow assumptions. Explain the measurement and reporting of cash as well as cash equivalents, receivables and bad debts, inventory and cost of goods sold. Current liabilities Explain a current liability and identify the major types of current liabilities. Calculate and describe the accounting for notes payable. Explain the valuation and reporting of current liabilities, estimated liabilities, as well as other contingencies. Long-term assets Describe how the cost principle applies to plant assets as well as distinguish between capital and revenue expenditures. Compute periodic depreciation using the straight-line, declining-balance, and the units-of-activity method. Identify the basic issues related to reporting intangible assets. Identify and illustrate issues regarding how long-lived assets are reported in the financial

statements. Long-term liabilities Prepare the entries for the issuance of bonds and interest expense. Describe the entries when bonds are redeemed. Identify and illustrate issues relating to long-term liabilities, including issuance, valuation, as well as retirement of debt (including the time value of money). Solve for present and future value of a single amount, as well as of an annuity (using TVM tables). Stockholders equity and reporting requirements Record the issuance of common stock. Explain the accounting for the purchase of treasury stock. Differentiate preferred stock from common stock. Prepare the entries for cash dividends, as well as understand the effect of stock dividends and stock splits. Measuring cash flow Distinguish among operating, investing, and financing activities. Explain the impact of the product life cycle on a companys cash flows. Prepare a statement of cash flows using the indirect method. Financial statements and statement analysis Explain the concept of comprehensive income. Describe and apply horizontal and vertical analysis. Identify and compute ratios used in analyzing a companys liquidity, solvency, as well as profitability. Ethical issues Describe common ethical issues in accounting and be able to apply strategies for addressing them. Investigate major accounting scandals.

Lab Content

Skills practiced and demonstrated.

Method(s) of Instruction

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

Instructional Techniques

A variety of instructional techniques will be used to cover different student learning styles. These may include, but are not limited to, lecture, discussion, recitation, and small group activities. Instruction will be supplemented, where appropriate, by PowerPoint presentations, electronic resources and technologies, guest speakers, and field trips. Demonstration may also be implemented where applicable and at facilitators sole discretion.

Reading Assignments

Students will read assigned textbooks, complete assigned homework/projects and participate in class discussions and skills demonstrations.

Writing Assignments

Written assignments and/or projects related to course content.

Out-of-class Assignments

Students will be required to complete homework assignments, do research for projects and for written assignments and may give individual or group presentations.

Demonstration of Critical Thinking

Quizzes, Midterm, and Final M/C evaluate students understanding of course concepts. Midterm and Final Exam essay questions that evaluate students ability to formulate solutions to accounting scenarios. A written analysis/project related to text material/concepts and/or skills demonstration.

Required Writing, Problem Solving, Skills Demonstration

Assignments include:1. Homework exercises and problems - Homework problems to be completed using general ledger software. 2. Multiple

choice questions requiring theory applications and calculations.3. Critical thinking paper.4. Multiple choice questions requiring theory application and calculation along with written problems requiring detailed calculation and presentation of answers.5. There will be a presentation assignment.6. For skills demonstration, there will be homework problems to be completed using an online homework manager.7. For the Final Examination, there will be multiple choice questions requiring theory application and calculation along with problems requiring detailed calculation and presentation of answers.

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 Kimmel, Paul D.; Weygandt, Jerry J.; Kieso, Donald E. Financial Accounting: Tools for Business Decision Making, 6th ed. Wiley, 2016 Rationale: - Legacy Textbook Transfer Data: Legacy text

Other Resources

1. Coastline Library 2. Wiley Plus Homework Manager 3. Student resources from publisher 4. Handouts provided by instructor