ACCT G101: FINANCIAL ACCOUNTING

Item	Value
Curriculum Committee Approval Date	10/15/2024
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
Open Entry/Open Exit	No
Grading Policy	Standard Letter (S)

Course Description

This course explores accounting and how it is used by investors, creditors, and other stakeholders to make decisions. It covers the accounting information system, the accounting cycle, recording and reporting of business transactions, application of generally accepted accounting principles, and preparation of financial statements. The course also examines issues relating to asset, liability, and equity valuation, revenue and expense recognition, cash flow, internal controls, and ethics. ADVISORY: ACCT G100. Transfer Credit: CSU; UC. C-ID: ACCT 110. **C-ID:** ACCT 110.

Course Level Student Learning Outcome(s)

1. Course Outcomes
2. Explain the components of the conceptual framework for financial accounting and reporting.
3. Apply generally accepted accounting principles (GAAP) for accounting and reporting for these accounting elements: assets, liabilities, equity, revenues, and expenses.
4. Use a journal, ledger, and trial balance in recording and posting business transactions as part of an accounting information system.
5. Prepare financial statements.
6. Explain the content, form, and purpose of financial statements (including footnotes), and how they satisfy the information needs of investors, creditors, and other users.

Course Objectives

- 1. Describe the nature of GAAP and accrual basis accounting.
- 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 components of an accounting information system (AIS) - accounts, journals, ledgers, and trial balances; identify these components in a computerized AIS.
- 4. Apply transaction analysis, input transaction data, process this input, and prepare and generate financial statements in a manual and computerized accounting information system.
- 5. Outline the accounting and reporting for current assets, including the measurement and reporting of cash and cash equivalents, receivables, inventory, and cost of goods sold, and prepaid expenses. Use common accounting functions relating to current assets such as bank reconciliations and receivables aging in a computerized accounting system.
- 6. Demonstrate accounting issues for long-lived assets, including acquisition, capital expenditures versus minor repairs, depreciation, and disposal.
- 7. Analyze the accounting, reporting, and valuation of current liabilities - compute payable balances, estimate accrued liabilities, and evaluate contingencies. Use common accounting functions relating to current liabilities such as invoicing process and check cutting in a computerized accounting system.
- 8. Illustrate accounting for long-term liabilities - debt issuance, loan amortization, debt maturity and retirement, and valuation with consideration for the time value of money.
- 9. Illustrate the accounting for stockholders? equity such as stock issuance, repurchase, and dividends.
- 10. Compile a statement of cash flows by categorizing an entity?s operating, investing, and financing activities, reconciling financial statement balances, and reconciling accrual basis net income to cash basis cash flows.
- 11. Complete financial analysis to assess an entity's profitability, liquidity, solvency, and leverage levels.

Lecture Content

Financial Accounting Standards GAAP International Financial Reporting Standards (IFRS) Regulatory bodies: Financial Accounting Standards Board (FASB), American Institute of Certified Public Accountant (AICPA), etc. Conceptual framework for financial accounting Objective: facilitation of capital markets Qualitative characteristics of accounting information Elements of financial statements Assumptions, principles, and constraints Double-entry accounting The account 5 account types Debits and credits Normal balances Accounting information system Journal entry General journal General ledger Trial balances Financial statements Accounting cycle Analyze business transactions Record journal entries Posting to general ledger (Unadjusted) trial balance Adjusting entries Adjusted trial balance Financial statements Closing entries Post-closing trial balance GAAP / Accrual basis accounting Accrual basis versus cash basis Accruals versus deferrals Merchandising operations Buyer and seller merchandising transactions Merchandising metrics: net sales, net purchases, cost of goods sold, gross profit Multiple-step income statement Merchandise inventory Inclusion, cut-off procedures Costing methods: first-in, first-out (FIFO), last-in, first -out (LIFO), average cost, specific identification Valuation: lower of cost or net realizable value/ market Cash and cash equivalents What constitutes cash and cash equivalents Bank reconci liation Petty cash Internal control: custody and safeguarding of cash Accounts receivable Allowance method of accounting for bad debt Percentage of receivables Aging of receivables Percentage of sales Direct write-off method Valuation: net realizable value Notes receivable Origination Interest Repayment at maturity Property, plant, and equipment Acquisition and capitalization Subsequent expenditures: capital expenditures versus ordinary repairs Depreciation methods: straight-line, units of activity, double-declining balance Disposal methods: retirement, sale, exchange Intangible assets Types: patents, copyrights, trademarks, franchises, goodwill Accounting: amortization versus annual impairment testing Current liabilities Notes payable Payroll liabilities Accrued liabilities Contingencies Long-term liabilities Bonds payable Issuance - at face value, discount, or premium Interest and amortization of related discount or amortization Repayment at maturity

Early redemption Notes payable - effective interest method Equity Types: common and preferred stock Stockholder rights Stock Issuance Stock repurchase (treasury stock) Shares: authorized, issued, outstanding Dividends Cash dividends Stock dividends Date of declaration, date of record, date of payment/date of distribution Retained earnings Statement of cash flows Classification: operating activities, invest ing activities, financing activities Reversal of accrual basis income items Reconciliation of balance sheet accounts Reconciliation of cash and cash equivalents to balance sheet Significant non-cash activities Financial statement analysis Financial ratios Horizontal analysis, vertical analysis Interpretation of metrics Demonstration of accounting cycle in a computerized accounting information system Medium: QuickBooks Online, Microsoft Dynamics, or other open-source accounting software Demonstration, function, and usage: chart of accounts, journal, general ledger, trial balance, financial statements Demonstration of other reports as applicable: accounts receivable aging, accounts payable listing, check register, sales order, purchase requisition, etc. Financial statement preparation Medium: Excel or other open-source spreadsheet application Income statement Statement of retained earnings Balance sheet

Lab Content

Demonstration of double-entry accounting in a computerized accounting information system Medium: QuickBooks Online, Microsoft Dynamics, or other open-source accounting software Demonstration, function, and usage: chart of accounts, journal, general ledger, trial balance, financial statements Demonstration of other reports as applicable: accounts receivable subsidiary ledger, accounts payable listing, check register Application of accounting cycle Medium: Excel or other open-source spreadsheet application Transactional data entry Debit and credit analysis Posting to general ledger Tabulation of trial balances Financial statement preparation Medium: Excel or other open-source spreadsheet application Income statement Statement of retained earnings Balance sheet Generation of financial reports Medium: QuickBooks Online, Microsoft Dynamics, or other open-source accounting software Reports: Aging, vendor listing, sales order, purchase requisition, etc. Other bookkeeping functions Medium: QuickBooks Online, Microsoft Dynamics, or other open-source accounting software Functions: bank reconciliation, check cutting, expense reports, etc.

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)

Reading Assignments

Textbook Cases Periodicals, journals, articles, and other readings as appropriate

Writing Assignments

Accounting cycle projects Financial statement analysis Case studies

Out-of-class Assignments

Assignments through the publisher portal Additional adaptive exercises, readings, and videos as appropriate

Demonstration of Critical Thinking

Students will demonstrate critical thinking and problem-solving skills by studying cases, interpreting accounting reports, and preparing financial statements. Demonstrations will be shown by completing assignments, participating in discussions, and completing required exams and quizzes.

Required Writing, Problem Solving, Skills Demonstration

Exams, quizzes, and assignments through the publisher portal utilize student problem solving skills. Transaction data input and output processing in a computerized accounting information system demonstrate student proficiency in accounting and data processing software.

Eligible Disciplines

Accounting: Master's degree in accountancy or business administration with accounting concentration OR bachelor's degree in business with accounting emphasis or business administration with accounting emphasis or economics with an accounting emphasis AND master's degree in business, business administration, business education, economics, taxation, or finance OR the equivalent. Master's degree required. (NOTE: A bachelor's 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. Financial and Managerial Accounting with Connect, 9th ed. McGraw Hill, 2022 2. Required Mitchell Franklin, Patty Graybeal, Dixon Cooper. Principles of Accounting, Volume 1: Financial Accounting, ed. OpenStax, 2023