

CUYAMACA COLLEGE
OFFICIAL COURSE OUTLINE

BUSINESS 120 – FINANCIAL ACCOUNTING

4 hours lecture, 4 units

Catalog Description

Introduces students to the accounting function and how it is used within our economic society. Views accounting as an information-generating system that communicates financial data to support end users in their economic decision-making. Includes the theory and concepts of accounting, as well as their application to the recording of financial information for the three types of business organizations: sole proprietorship, partnership and corporation. Emphasis is on the corporate form of organization.

Prerequisite

None

Course Content

- 1) Accounting and its environment
- 2) Double-entry accounting system and recording of business transactions
- 3) Time period assumption and corresponding use of adjusting entries
- 4) Preparation of financial statements (income statement, balance sheet, statement of owner's/stockholder's equity, and statement of cash flows) and completion of the accounting cycle
- 5) Recording transactions in a merchandising concern
- 6) Accounting for asset categories: Cash, Accounts Receivable, Notes Receivable, Inventory, and Plant Assets
- 7) Accounting for liability categories: Accounts Payable, Notes Payable, Accrued and Estimated Liabilities, Payroll, and Long-term Debt including Bonds Payable
- 8) Ownership equity in the three forms of business organization: sole proprietorship, partnership, corporations
- 9) Investment in corporate securities
- 10) Accounting concepts, principles and assumptions
- 11) Application of professional judgment and ethical conduct

Course Objectives (Expected Student Learning Outcomes)

Students will be able to:

- 1) Describe the accounting profession, the history of accounting, opportunities for employment, ethics of the profession, the generation and communication of financial information, the need for guidelines and standards in the application of accounting, and public responsibilities of the auditor including the role of the attest function as presented in class.
- 2) Analyze business transactions and perform basic accounting functions of recording and posting of business transactions according to generally accepted accounting principles.
- 3) Prepare an income statement, statement of owner's equity or retained earnings, balance sheet, and statement of cash flows according to Generally Accepted Accounting Principles (GAAP).
- 4) Compare and contrast fundamental accounting principles, concepts and assumptions that support the generation of financial information according to GAAP.
- 5) Analyze and prepare the journal entries that effect specific asset, liability and owner's (stock holder's) equity accounts.

Method of Evaluation (Measuring Student Learning Outcomes with Representative Assignments)

A grading system will be established by the instructor and implemented uniformly. Grades will be based on demonstrated proficiency in subject matter determined by multiple measurements for evaluation, one of which must be essay exams, skills demonstration or, where appropriate, the symbol system.

- 1) Exams and/or quizzes that include short answer and objective questions that require students to identify aspects, history, ethics, guidelines, standards, generally accepted accounting principles, the attest function, and the role of auditors
- 2) Written exams that require the students to record business transactions in a general journal and post those transactions to general ledger accounts using generally accepted accounting principles
- 3) Written exams that require students to prepare income statements, retained earnings statements, balance sheets, and cash flow statements in accordance with generally accepted accounting principles
- 4) Written exams that require, given selected business transactions, students to determine what, if any, accounting principles concepts and assumptions are violated and describe the violation in writing
- 5) Case problems that require students to complete an accounting cycle for a corporation and make decisions based on financial statements prepared during the cycle
- 6) Assignments that require students to analyze business transactions and record those transactions in accordance with generally accepted accounting principles

Special Materials Required of Student

Calculator and Working Papers or Excel spreadsheets for assignments

Minimum Instructional Facilities

- 1) Standard classroom with podium, overhead projector, VCR/monitor
- 2) Access to computer lab

Method of Instruction

- 1) Lecture and discussion
- 2) Preview of assignments, review of completed assignments
- 3) Case problems for group discussion and response

Texts and References

- 1) Required: Weygandt, Kieso and Kimmel. Financial Accounting. 5th edition, 2005.
- 2) Supplemental: None

Exit Skills

Students having successfully completed this course exit with the following skills, competencies and/or knowledge:

- 1) Rules and procedures related to accrual-based accounting including appropriate terms and definitions
- 2) Analyze transactions and record journal entries in two-column general journal format
- 3) Understand and apply the steps in the periodic processing cycle known as the accounting cycle
- 4) Knowledge and understanding of three main financial statements: balance sheet, statement of income, statement of retained earnings
- 5) Specific knowledge and related calculations with respect to the areas of cash, receivables, inventories, plant assets, liabilities, owners' equity