

COURSE OUTLINE **Accounting I**

Course Description

BA 126. Accounting I. 3 hours credit. This course will enable the student to perform basic bookkeeping functions upon completion. The student will complete and understand the entire accounting cycle through learning the theory and practice of modern accounting including journal entries, ledgers, and financial statements. The student will also learn about notes receivable, notes payable, inventory systems, and depreciation methods.

Course Relevance

The information learned in this course will enable the student to understand basic accounting procedures and practices relating to sole proprietorships. These skills can be utilized in any career field, or future courses can be taken to specialize in accounting.

Required Materials

Warren, C., Reeve, J., & Duchac, J. (2009). *Accounting* (23rd ed.). Cincinnati, OH: Southwestern Publishing Company (Chapters 1-11).

“Cengage Now” Homework Manager. This comes in a folder that is shrink wrapped with the textbook when you buy a new textbook from the Butler bookstore. It can also be purchased separately online.

The student will also need pencils, calculator, and a jump drive.

Learning Outcomes

The intention is for the student to be able to:

1. Complete the various steps of the accounting cycle (on paper and as an electronic spreadsheet) and know the purpose of each step.
2. Be able to calculate the value of assets, liabilities, owner’s equity, notes receivable, notes payable, depreciation, merchandise inventory, and cost of merchandise sold.
3. Demonstrate the need for accounting information in the business world.

Learning PACT Skills that will be developed and documented in this course

Through involvement in this course, the student will develop ability in the following PACT skill area(s):

Analytical Thinking Skills

1. Problem solving
 - By applying skills learned in lessons, students use techniques to correctly solve specific accounting based problems and prepare financial statements for sole proprietorships.

Major Summative Assessment Task(s)

These learning outcome(s) and the Learning PACT skill(s) will be demonstrated by:

1. Completing a departmental project that measures the student's ability to solve problems related to Financial Accounting I functions, including journal entries through the financial statements of the accounting cycle.

Course Content

- I. Skills or Competencies – Actions that are essential to achieve the course outcomes:
 - A. Demonstrate the ability to successfully complete the accounting cycle
 - B. Demonstrate the ability to complete assignments as an electronic spreadsheet
 - C. Understand how internal controls can be used in a business to prevent theft and mistakes

Learning Units

- I. An introduction to accounting and business
 - A. Definition of accounting as an information system
 - B. Careers in Accounting and specialized fields
 - C. List the characteristics of a business transaction
 - D. State the accounting equation and define its basic elements
 - E. Describe the effect of business transaction on the basic elements of the accounting equation
 - F. Describe the elements within the financial statements of a sole proprietorship and explain the interrelationships
 - G. Prepare the income statement, statement of owner's equity, and balance sheet
- II. Analyzing transaction
 - A. Know the purpose of an account
 - B. List the rules of debit and credit, recognize normal account balances, and understand the nature of an account
 - C. Analyze, journalize and post business transactions using a two column journal and a standard account in the ledger
 - D. Prepare a trial balance and describe its purpose
 - E. Discover and correct errors in the recording of a transaction
- III. The adjusting process
 - A. Understand the matching principle as it relates to the accrual basis of accounting
 - B. Prepare and journalize adjusting entries prior to the preparation of the financial statements
 - C. Prepare an adjusted Trial balance
- IV. Completing the accounting cycle
 - A. Prepare a worksheet
 - B. Prepare financial statements from a worksheet
 - C. Use a worksheet to journalize and post adjusting and closing entries, prepare a post-closing trial balance
 - D. List the seven basic steps of the accounting cycle

- E. Differentiate between the fiscal and natural business year
- V. Accounting systems
 - A. Describe the basic features of a computerized accounting system
 - B. Understand and demonstrate the use of subsidiary ledgers
 - C. Identify which special journal different business transaction should be recorded
- VI. Accounting for merchandising businesses
 - A. Compare and contrast and prepare the financial statements of a merchandiser to those of a service business
 - B. Journalize the entries for merchandise transactions, to include sales, purchases, and transportation costs
 - C. Prepare a chart of accounts for a merchandising business
- VII. Inventories
 - A. Compute the cost of inventory and cost of merchandise sold using FIFO, LIFO in the perpetual system
 - B. Compute the cost of inventory and cost of merchandise sold using FIFO, LIFO and average cost in the periodic system
 - C. Compute the cost of inventory using the retail and gross profit methods
 - D. Prepare a balance sheet presentation of merchandise inventory
 - E. Prepare an income statement for a merchandising business
- VIII. Sarbanes-Oxley, internal control, and cash
 - A. Discuss the Sarbanes-Oxley Act
 - B. List and apply the elements of internal control
 - C. Discuss controls for cash receipts and cash payments
 - D. Prepare a bank reconciliation, and journalize any necessary entries
 - E. Summarize the basic internal control procedures over cash receipts through the use of petty cash and cash short/over accounts
 - F. Summarize the basic internal control procedures over cash payments through the use of a voucher system
 - G. Know about electronic funds transfer and give examples of how it is used to process cash transactions
- IX. Receivables
 - A. Journalize entries for note receivable transactions
 - B. Describe and journalize entries for the allowance method for un-collectibles and estimate uncollectible receivables based on sales and on an analysis of receivables
 - C. Know how to journalize for the direct write off method
 - D. Prepare the current asset section of a balance sheet that includes temporary investments and receivables
- X. Fixed assets and intangible assets
 - A. Describe and give examples of fixed and intangible assets

- B. Compute depreciation using straight-line, units of production, and double declining balance
- C. Journalize for a sale of a fixed asset
- D. Determine if an item should be capitalized (added to the asset as a debit) or expensed

XI. Current liabilities and payroll

- A. Journalize for product warranties, vacation pay, and contingent liabilities
- B. Journalize for a short term notes payable, both interest bearing and discounted notes
- C. Calculate and journalize for employee and employer payroll taxes and deductions

Learning Activities

Learning activities will be geared toward techniques used to help the student analyze and properly record accounting data. Activities will be both independent and in groups. This can include class lectures, homework problems, and case studies. Use of computers to prepare electronic accounting spreadsheets will be done with various lessons through the semester.

Grade Determination

The student will be graded on assessment tasks, tests/exams, quizzes, homework, computer spreadsheets, class participation and other activities as determined by instructor.