AGBUS 71 Course Outline as of Fall 2023

CATALOG INFORMATION

Dept and Nbr: AGBUS 71   Title: AGRICULTURAL ACCOUNTING
Full Title: Agricultural Accounting
Last Reviewed: 11/9/2015

Units		Course Hours per Week		Nbr of Weeks	Course Hours Total	
Maximum	3.00	Lecture Scheduled	2.00	17.5	Lecture Scheduled	35.00
Minimum	3.00	Lab Scheduled	3.00	6	Lab Scheduled	52.50
		Contact DHR	0		Contact DHR	0
		Contact Total	5.00		Contact Total	87.50
		Non-contact DHR	0		Non-contact DHR	0

Total Out of Class Hours: 70.00   Total Student Learning Hours: 157.50

Title 5 Category: AA Degree Applicable
Grading: Grade Only
Repeatability: 00 - Two Repeats if Grade was D, F, NC, or NP
Also Listed As:
Formerly: AG 73

Catalog Description:
Applications of the principles and practices of financial and managerial accounting in agribusiness. The course also includes methods of record-keeping, measurement of revenue and expenses and analysis of financial positions in agribusiness.

Prerequisites/Corequisites:

Recommended Preparation:
Eligibility for ENGL 100 or ESL 100

Limits on Enrollment:

Schedule of Classes Information:
Description: Applications of the principles and practices of financial and managerial accounting in agribusiness. The course also includes methods of record-keeping, measurement of revenue and expenses and analysis of financial positions in agribusiness. (Grade Only)
Prerequisites/Corequisites:
Recommended: Eligibility for ENGL 100 or ESL 100
Limits on Enrollment:

Transfer Credit:
Repeatability: Two Repeats if Grade was D, F, NC, or NP

ARTICULATION, MAJOR, and CERTIFICATION INFORMATION:

AS Degree:	**Area**	Effective:	Inactive:
CSU GE:	**Transfer Area**	Effective:	Inactive:
IGETC:	**Transfer Area**	Effective:	Inactive:
CSU Transfer:		Effective:	Inactive:
UC Transfer:		Effective:	Inactive:

CID:
CID Descriptor:AG - AB 128   Agricultural Accounting
SRJC Equivalent Course(s):   AGBUS71

Certificate/Major Applicable:
Both Certificate and Major Applicable

COURSE CONTENT

Student Learning Outcomes:
At the conclusion of this course, the student should be able to:
1. Apply the principles of agricultural accounting systems and the accounting cycle in agribusiness.
2. Compute, interpret and apply financial ratios in agribusiness.
3. Analyze the differences between accrual and cash accounting, current versus non-current assets in agricultural accounting.
4. Identify and understand the purpose of documents required for farm accounting.

Objectives:
Upon successful completion of this course, students will be able to:
1. Explain the value of agricultural records to a successful agricultural enterprise.
2. Define common agricultural bookkeeping terms.
3. Identify documents required for conducting cash flow analysis.
4. Demonstrate the principles of accrual accounting by opening, analyzing and entering transactions and closing a set of double-entry accounting records.
5. Perform expense and revenue measurements
6. Analyze financial positions and financial performance using ratio analysis.
7. Create a balance sheet for a small business.
8. Use quickbooks accounting software to develop summary accounting reports.
9. Develop financial statements for small agribusiness firms.
10. Compare and contrast accrual versus cash accounting
11. Contrast the basic methods of depreciation and calculate yearly depreciation.
12. Construct inventory analysis procedures.
13. Determine the payroll for employees given the major deductions.
14. Explain the basis for agricultural income tax computing.

Topics and Scope:

I. Importance of Record Keeping
   A. Record keeping objectives
   B. Components of agricultural records and accounting systems
   C. Accounting periods
II. Principles of Accounting
   A. Single-entry accounting
   B. Double-entry accounting
   C. Accrual versus cash bases of accounting
III. Kinds of Agricultural Accounts and Record Keeping Systems
   A. The charts of accounts
   B. Definition of common accounts in agribusiness
IV. Revenue and Expense Measurements
   A. Revenue recognition
   B. Government loans
   C. Accounting Equation
   D. Gains and losses
   E. Depreciation Expenses
       1. Partial Period
       2. Revised Period
   F. Interest Expense
   G. Net Farm Income
V. Preparing Financial Statements
   A. Income Statement
   B. Financial Statement of Ownership
   C. Balance Sheet
   D. Statement of Cash Flows
   E. Cash-basis versus market based
   F. Financial Statement
VI. Types of Entries and Their Uses
   A. Diary
   B. Inventory
   C. Receipts
   D. Expenses
   E. Accounts payable
   F. Accounts receivable
   G. Balance sheets (net worth or financial statement)
   H. Profit/loss statement
VII. Accounting Cycle
   A. Beginning balance sheet (net worth statement)
   B. Opening entries
   C. Recording transactions
       1. Journal entries
       2. General ledger posting
   D. Trial balances
   E. Correcting entries
   F. Adjusting entries
   G. Adjusted trial balance
   H. Closing entries
   I. Post-closing trial balance
   J. Ending balance sheet
   K. Profit and loss statements

VIII. Income Statements
   A. Different forms
   B. Profit/loss ratios
IX. Accrual adjusted Farm Financial Statements
   A. Inventories
   B. Prepaid Expenses
   C. Accrued Expenses
   D. Income Taxes
X. Analyzing Financial Positions and Financial Performance
   A. Comparative financial statements
   B. Financial Ratios
   C. Liquidity Ratios
   D. Solvency Ratios
   E. Repayment Capacity Ratios
   F. Profitability Ratios
   G. Financial Efficiency Ratios
XI. Asset Valuation and Depreciation
   A. Current Assets
      1. Validation Method
      2. Cash
      3. Accounts Receivable
      4. Inventory Valuation and Control

   B. Non-current Assets
      1. Cash investment
      2. Capital investment
      3. Leased Assets
      4. Disposing of non-current assets
XII. Liabilities and Debt
   A. Calculating simple interest loans
   B. Transactions involving loans and loan payments
      1. Determining current principle loan balance
      2. Determining interest payable
   C. Loan applications
   D. Cash flow budgets
XIII. Software Accounting and Analysis
   A. Introduction to QuickBooks
   B. Basic reports in QuickBooks
XIV. Payroll Accounting
   A. Allowable deductions
   B. Reporting requirements
XV. Social Security
   A. Deductions
   B. Separate accounts and deposits
   C. Reporting procedures
XVI. Income Tax (Federal)
   A. Cash or accrual basis
   B. Proper entries
   C. Allowable deductions
   D. Depreciation requirements
   E. Capital gains tax

Assignment:

1. Weekly lab reports
2. Accounting problem sets.
3. Quizzes (6-8)
4. Two Term papers on agricultural accounting and taxation (5-7 pages).
5. Midterm and final exam.
6. Reading 20-30 pages per week.

Methods of Evaluation/Basis of Grade:

Writing: Assessment tools that demonstrate writing skills and/or require students to select, organize and explain ideas in writing.

Term papers	Writing 10 - 15%

Problem Solving: Assessment tools, other than exams, that demonstrate competence in computational or non-computational problem solving skills.

Lab reports and problem sets.	Problem solving 40 - 50%

Skill Demonstrations: All skill-based and physical demonstrations used for assessment purposes including skill performance exams.

None	Skill Demonstrations 0 - 0%

Exams: All forms of formal testing, other than skill performance exams.

Quizzes, Midterm, and Final exam (Multiple choice, True/false, Matching items)	Exams 35 - 45%

Other: Includes any assessment tools that do not logically fit into the above categories.

None	Other Category 0 - 0%

Representative Textbooks and Materials:
Farmer's Tax Guide--Current yearly edition
QuickBooks for Agricultural Financial Records. QuickBooks Pro 2015
Financial and Managerial Accounting, Warren, Carl S., Reeve, James M., Duchac, Jonathan. Cengage Learning 2015
Introduction to Agricultural Accounting, Wheeling, Barbara M., Cengage/Thompson, 2007 (classic)
Accounting for Agriculture: Skidmore, Richard, Soft Data, Lancaster, CA 1995 (classic)
Financial Accounting: Hermanson, Roger, Richard D. Irwin, 1999 (classic)