

**AGBUS 71 Course Outline as of Fall 2011****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:**

Principles of agricultural accounting systems and type of records, their use and how to compute and use measures of earnings and cost of production to improve agribusiness efficiency. Also included are farm income tax, Social Security, and employee payroll records.

**Prerequisites/Corequisites:****Recommended Preparation:**

Eligibility for ENGL 100 or ESL 100

**Limits on Enrollment:****Schedule of Classes Information:**

Description: Principles of agricultural accounting systems and type of records, their use and how to compute and use measures of earnings and cost of production to improve agribusiness efficiency. Also included are farm income tax, Social Security, and employee payroll records.  
(Grade Only)

Prerequisites/Corequisites:

Recommended: Eligibility for ENGL 100 or ESL 100

Limits on Enrollment:

Transfer Credit: CSU;

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

## **ARTICULATION, MAJOR, and CERTIFICATION INFORMATION:**

<b>AS Degree:</b>	<b>Area</b>	Effective:	Inactive:
<b>CSU GE:</b>	<b>Transfer Area</b>	Effective:	Inactive:

<b>IGETC:</b>	<b>Transfer Area</b>	Effective:	Inactive:
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<b>CSU Transfer:</b>	Effective:	Inactive:
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<b>UC Transfer:</b>	Effective:	Inactive:
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### **CID:**

CID Descriptor: AG - AB 128    Agricultural Accounting

SRJC Equivalent Course(s):    AGBUS71

### **Certificate/Major Applicable:**

Both Certificate and Major Applicable

## **COURSE CONTENT**

### **Outcomes and 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. Select a record keeping system.
4. Design and explain a set of agricultural accounts.
5. Demonstrate the principles of accrual accounting by opening, analyzing and entering transactions and closing a set of double-entry accounting records.
6. Create a balance sheet.
7. Summarize an agricultural accounting system using the worksheet.
8. Calculate measures of earnings applicable to agricultural records and construct an income statement.
9. Determine efficiencies of an agricultural business through the use of accounts and determine the cost per unit of production.
10. Contrast the basic methods of depreciation and calculate yearly depreciation.
11. Construct inventory analysis procedures.
12. Utilize computer spreadsheet templates for common accounting analyses.
13. Determine the payroll for employees given the major deductions.
14. Explain Social Security records and requirements.
15. Explain the basis for agricultural income tax computing.

### **Topics and Scope:**

#### **A. Importance of Record Keeping**

1. Record keeping objectives
2. Components of agricultural records and accounting systems
3. Accounting periods

- B. Principles of Accounting
  - 1. Single-entry accounting
  - 2. Double-entry accounting
  - 3. Accrual versus cash bases of accounting
- C. Kinds of Agricultural Accounts and Record Keeping Systems
  - 1. Single entry systems
  - 2. Double entry systems
  - 3. Enterprise accounting
  - 4. Computerized accounting
  - 5. Employee records
  - 6. Production records
  - 7. Social Security records
  - 8. Depreciation and inventory records
  - 9. Budgets and cash flow records
  - 10. Various accounting systems available
    - a. University of California Record Book
    - b. Ideal System Account Book
    - c. New Holland One-Book System
- D. Types of Entries and Their Uses
  - 1. Diary
  - 2. Inventory
  - 3. Receipts
  - 4. Expenses
  - 5. Accounts payable
  - 6. Accounts receivable
  - 7. Balance sheets (net worth or financial statement)
  - 8. Profit/loss statement
  - 9. Others
- E. Accounting Cycle
  - 1. Beginning balance sheet (net worth statement)
  - 2. Opening entries
  - 3. Recording transactions
    - a. Journal entries
    - b. General ledger posting
  - 4. Trial balances
  - 5. Correcting entries
  - 6. Adjusting entries
  - 7. Adjusted trial balance
  - 8. Closing entries
  - 9. Post-closing trial balance
  - 10. Ending balance sheet
  - 11. Profit and loss statement
  - 12. Worksheet
- F. Income Statements
  - 1. Different forms
  - 2. Profit/loss ratios
- G. Asset Valuation and Depreciation
  - 1. Depreciable asset definitions
  - 2. Depreciation methods
  - 3. Depreciation calculation
  - 4. Book versus market valuation
  - 5. Depreciable asset disposal and capital gains

6. Inventory valuation and control
- H. Liabilities and Debt
  1. Calculating simple interest loans
  2. Transactions involving loans and loan payments
    - a. Determining current principle loan balances
    - b. Determining interest payable
  3. Loan applications
  4. Cash flow budgets
- I. Computerized Records and Analysis
  1. Computer spreadsheet programming
  2. Records and analysis templates using computer spreadsheet programs
- J. Payroll Accounting
  1. Allowable deductions
  2. Reporting requirements
- K. Social Security
  1. Deductions
  2. Separate accounts and deposits
  3. Reporting procedures
- L. Income Tax (Federal)
  1. Cash or accrual basis
  2. Proper entries
  3. Allowable deductions
  4. Depreciation requirements
  5. Capital gains tax
- M. Complete Problem from Diary to Income and Cost Analyses

### Assignment:

1. Lab problem sets.
2. Quizzes (6-8)
3. Term paper, 5-7 pages.
4. Midterm and final exam.
5. 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 paper
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Writing 10 - 15%
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**Problem Solving:** Assessment tools, other than exams, that demonstrate competence in computational or non-computational problem solving skills.

Lab problem sets.
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Problem solving 40 - 50%
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**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  
Accounting for Agriculture: Skidmore, Richard, Soft Data, Lancaster, CA 1995 (classic)  
Financial Accounting: Hermanson, Roger, Richard D. Irwin, 1999 (classic)