BAD 1 Course Outline as of Fall 2001

CATALOG INFORMATION

Dept and Nbr: BAD 1 Title: FINANCIAL ACCTING
Full Title: Financial Accounting
Last Reviewed: 2/11/2019

Units		Course Hours per Week		Nbr of Weeks	Course Hours Total	
Maximum	4.00	Lecture Scheduled	4.00	17.5	Lecture Scheduled	70.00
Minimum	4.00	Lab Scheduled	0	6	Lab Scheduled	0
		Contact DHR	0		Contact DHR	0
		Contact Total	4.00		Contact Total	70.00
		Non-contact DHR	0		Non-contact DHR	0

Total Out of Class Hours: 140.00 Total Student Learning Hours: 210.00

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

Catalog Description:
This course introduces the student to the role of accounting in processing and reporting the effects of economic transactions. It examines financial accounting from both the user and preparer perspectives. It teaches how information is processed and reported by the accounting information system as well as how the reports are used by investors and creditors in making decisions. The economic transactions are also analyzed by type of business activity: operating, investing, or financing and their impact on cash flows and profitability for both service and merchandising concerns. The ability to perform basic spreadsheet functions is highly recommended.

Prerequisites/Corequisites:

Recommended Preparation:
Eligibility for ENGL 100 or ESL 100, BAD 10.

Limits on Enrollment:

Schedule of Classes Information:
Description: This course is an introduction to the preparation & use of financial information in

making investing and credit decisions. The ability to perform basic spreadsheet functions is highly recommended. (Grade or P/NP)
Prerequisites/Corequisites:
Recommended: Eligibility for ENGL 100 or ESL 100, BAD 10.
Limits on Enrollment:
Transfer Credit: CSU;UC. (CAN BUS2)(BAD 2+BAD 1=BUS SEQ A)
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:	Transferable	Effective:	Fall 1981	Inactive:	
UC Transfer:	Transferable	Effective:	Fall 1981	Inactive:	

CID:
CID Descriptor: ACCT 110 Financial Accounting
SRJC Equivalent Course(s): BAD1

Certificate/Major Applicable:
Both Certificate and Major Applicable

COURSE CONTENT

Outcomes and Objectives:
These objectives comply with the California Core Competency Model developed by the Calif. Society of Certified Public Accountants' Committee on Accounting Education.
This course will prepare the transfer degree and certificate students for business or accounting programs. Upon completion of the course the student will be able to:
1. explain how accounting meets the information needs of investors, creditors, managers, regulatory agencies, and taxing authorities.
2. explain the principles, procedures, and concepts underlying the primary financial statements.
3. explain the uses and limitations of financial statements and related information disclosed in the annual report of Securities and Exchange Commission's reports in making decisions.
4. explain how an accounting system is designed to meet the needs of specific businesses; and how to input transactions, process this input and prepare and interpret the financial statements.
5. process the economic transactions for both a service and merchandising concern from the source document through the closing process.
6. analyze the difference in accounting methods allowed under generally accepted accounting principles in the accounting for various assets, liabilities and equity transactions.
7. classify the types of business transactions as being operating,

investing or financing activities.
8. compare the difference between accrual based measurements and cash flows from activities.
9. demonstrate analytical, interpersonal, and communication skills in solving problems.

Topics and Scope:

WEEK TOPIC

1. I. Introduction to Accounting
   - A. Users of accounting information and their needs
   - B. Financial statements as a means of communications
   - C. The objectives of financial reporting
   - D. Types of organizations and forms of business ownership
   - E. The nature of business activity: operating, investing, and financing activities
   - F. The accounting profession and ethical issues

2-3 II.Financial statements and the annual report
   - A. The accounting equation
   - B. Presentation of the Income Statement, Statements of Retained Earnings or Stockholders' Equity, classified Balance Sheet and Statement of Cash Flows
   - C. Financial Statement interpretation and analysis
   - D. Understanding elements of the annual report
   - E. The Securities and Exchange Commission's reports
   - F. Objective of Financial Reporting
   - G. Qualitative characteristics of accounting information

4-5 III. Processing accounting information for service entities
   - A. External and internal transactions
   - B. The accounting equation and transactional analysis
   - C. The double-entry system and use of "T" accounts
   - D. Use of general journal & general ledger to process information
   - E. Cash versus accrual accounting and the adjustment process
   - F. The adjusting process -- why and how
   - G. The closing process -- why and how
   - H. The accounting cycle

6-7 IV. Processing accounting information for merchandising entities
   - A. Additional accounts and recording merchandising concerns
   - B. Periodic vs perpetual inventory systems
   - C. Internal control for a merchandising concern
   - D. Inventory valuation and its impact on the financial statements
   - E. Lower of Cost or Market and its effect on inventory valuation
   - F. Estimating inventory value: The gross profit method and retail inventory method
   - G. Effect of inventories on cash flows

8-9 V. Accounting for Assets
   - A. Monetary assets: cash, marketable securities and receivables
     1. Valuation issues and their impact on income measurement cash flows
     2. Liquidity issues
   - B. Operating Assets: property, plant & Equipment, natural resources, and intangibles

1. Acquisition, depreciation and disposal of plant and equip.
2. Subsequent costs: Revenue or capital expenditure
3. The matching principle and cost allocation
4. Allocation vs valuation of assets
5. Tax implications of asset dispositions
6. Acquisition and depletion of natural resources
7. Acquisition and amortization of intangible assests

10-11 VI. Accounting for Liabilities

A. Current liabilites, contingent liabilities, and the time value of money
1. Recording and disclosing accounts payable, notes payable, currently maturing protions of long-term debt and accrued deferred liabilities
2. Balance sheet and footnote disclosures
3. Liquidity and cash flow issues

B. Long-term liabilities
1. Accounting for bonds
2. Other long-term liabilities; leases, deferred taxes, pensions and other postretirement benefits
3. Balance sheet and footnote disclosures
4. Impact on the Statement of Cash flows

12-13 VII. Stockholders' Equity and Financing Operations

A. Components of stockholders' equity; contributed capital and retained earnings
B. Types of stock and their characteristics
C. Issuance of stock for cash, noncash consideration and by subscription
D. Treasury stock transactions and retirement of shares
E. Retained earnings and dividends: Types of dividends and apportionment
F. Stock splits
G. Valuation issues; book value versus market value
H. Effect of stockholders' equity changes on cash flows

14 VIII. The Statement of Cash Flows

A. Cash versus accrual accounting reviewed
B. Purpose and reporting requirements for the Statement of Cash Flows
C. Direct and indirect methods of computing cash flows from operations
D. Noncash investing and financing activities
E. Preparing the Statement of Cash Flows
F. Use of cash flow information

15-16 IX. Financial Statement Analysis

A. Horizontal and trend analysis
B. Vertical analysis
C. Common-size statements
D. Ratio analysis:
1. Liquidity analysis
2. Solvency analysis
3. Projectability Analysis
E. Limitations of Financial Statements & Analysis

Assignment:

Will include text and other readings, written homework involving problem solving and calculational skills, and group case research, analysis, and presentation.

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.

Written homework, Essay exams, GROUP CASE REPORTS	Writing 25 - 30%

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

Homework problems, Exams, GROUP CASE PROBLEMS	Problem solving 20 - 25%

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

Performance exams, GROUP CASE ASSIGNMENTS	Skill Demonstrations 20 - 30%

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

Multiple choice, True/false, Matching items, Completion, SHORT ANSWER	Exams 10 - 30%

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

GROUP PARTICIPATION AND ORAL PRESENTATION GRADES	Other Category 5 - 10%

Representative Textbooks and Materials:
Financial Accounting, Libby, Libby and Short by Irwin McGraw-Hill Publishing, 3rd Edition, copyright 2000.