

Course Number/Title: AC101 Accounting Fundamentals

Year: Fall, 2012

Department: Business and Industry

Credit Hours: 3

Required Text: Reference Below

Days/Time: 12:15-1:30 p.m. MW
9:25-10:40 a.m. TR

Instructor: Bob Selby, B.S., M.S.

Room #: BMC 705

Office Hours: 1:40—5:00 p.m. MTW
1:40—2:25 p.m. R

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Course Placement: Freshman or Sophomore

Pre-requisite: None

Required Text: Heintz & Parry College Accounting, 20E, Thomson/Southwestern, 2011
Working Papers/Study Guide, Chapters 1-9 and Chapters 10-15

RATIONALE

To provide the basic principles of accounting and assist in the acquisition of knowledge needed to keep personal records and the skills required for initial employment. This course may be a required prerequisite for Accounting I.

COURSE DESCRIPTION

This course is intended for students who have no previous accounting background and is designed to provide an understanding of the basic principles of accounting. Topics covered include accounting cycles of service and merchandising businesses, accounting for cash, payables and receivables, worksheets and financial statements. Student must achieve a grade of "C" to enroll in AC177 Accounting I.

COURSE OUTLINE

- I. Introduction to Accounting
 - a. The purpose of Accounting
 - b. The Accounting Process
 - c. GAAP
 - d. Types of Ownership Structures
 - e. Types of Businesses
 - f. Career Opportunities in Accounting
- II. Analyzing Transactions: The Accounting Equation
 - a. The Accounting Elements
 - b. The Accounting equation
 - c. Analyzing Business Transactions
 - d. Effect of Transactions on the Accounting Equation

- e. Financial Statements
- III. Double-Entry Framework
 - a. The T Account
 - b. Balancing a T Account
 - c. Debits and Credits
 - d. Transaction Analysis
 - e. The Trial Balance
- IV. Journalizing and Posting Transactions
 - a. Flow of Data
 - b. The Chart of Accounts
 - c. Source Documents
 - d. The General Journal
 - e. The General Ledger
 - f. Correcting Errors in the Trial Balance
- V. Adjusting Entries and the Work Sheet
 - a. End-of-period Adjustments
 - b. The Work Sheet
 - c. Finding Errors on the Work Sheet
 - d. Journalizing Adjusting Entries
 - e. Posting Adjusting Entries
- VI. Financial Statements and the Closing Process
 - a. The Financial Statements
 - b. The Closing Process
 - c. Post-Closing Trial Balance
 - d. The Accounting Cycle
- VII. Accounting for Cash
 - a. Checking Account
 - b. Reconciling the Bank Statement
 - c. The Petty Cash Fund
 - d. The Change Fund and Cash Short and Over
- VIII. Accounting for Sales and Cash Receipts
 - a. Merchandise Sales Transactions
 - b. Merchandise Sales Accounts
 - c. Journalizing and Posting Sales and Cash Receipts Transactions
 - d. Schedule of Accounts Receivable
- IX. Accounting for Purchases and Cash Payments
 - a. Merchandise Purchases Transactions

- b. Merchandise Purchases Accounts
 - c. Journalizing and Posting Purchases and Cash Payments Transactions
 - d. Schedule of Accounts Payable
- X. Special Journals
- a. Sales Journal
 - b. Cash Receipts Journal
 - c. Purchases Journal
 - d. Cash Payments Journal
- XI. Accounting for Merchandise Inventory
- a. The impact of Merchandise Inventory on Financial Statements
 - b. Types of Inventory Systems: Periodic and Perpetual
 - c. Assigning Cost to Inventory and Cost of Goods Sold
 - d. Estimating Ending Inventory and Cost of Goods Sold

COURSE LEARNING OBJECTIVES ASSESSED

1. Explain the nature and importance of accounting
 - Define accounting and related terms
 - Identify the stakeholders who use the accounting information
 - Identify three forms of business organization
 - Explain the purpose of accounting
 - Identify careers in accounting
2. Use a double entry accounting system
 - Define assets, liabilities, and owner's equity
 - State the accounting equation
 - Record transactions in equation form
 - Classify accounts according to type, normal balance, and financial statement
 - Explain the rules of debit and credit
 - Record transactions in T-accounts
 - Prepare a trial balance
3. List and perform the steps in the accounting cycle
 - Record transactions in a journal
 - Use a chart of accounts
 - Post from the journal to the ledger accounts
 - Prepare adjusting entries for supplies used, expired insurance, depreciation, and accrued wages
 - Prepare a worksheet
 - Prepare financial reports, including the income statement, statement of owner's equity, and balance sheet
 - Explain the purpose of the closing process
 - Journalize closing entries

- Prepare a post-closing trial balance
4. Identify basic procedures for accounting for cash
 - Describe basic petty cash procedures
 - Prepare a bank reconciliation
 - Establish a change fund and use the cash short and over account
 5. Apply basic accounting procedures for a merchandising business
 - Record purchases, sales, cash payments, and cash receipts for a merchandising business
 - Record sales returns and allowances and sales discounts
 - Record purchase returns and allowances and purchase discounts
 - Use a periodic inventory system
 - Explain a schedule of accounts receivable and a schedule of accounts payable
 - Compute net sales
 - Compute cost of merchandise sold and gross profit

COURSE COMPETENCIES

Upon satisfactory completion of this course, each student should be able to demonstrate the following competencies:

1. Describe the purpose of accounting.
2. Describe the accounting process.
3. Define GAAP and describe the process used by FASB to develop these principles.
4. Define three types of business ownership structures.
5. Classify different types of business ownership structures.
6. Identify career opportunities in accounting.
7. Define the accounting elements.
8. Construct the accounting equation.
9. Analyze business transactions.
10. Show the effects of business transactions on the accounting equation.
11. Prepare and describe the purposes of a simple income statement, statement of owner's equity, and balance sheet.
12. Define the three basic phases of the accounting process.
13. Define the parts of a T account.
14. Foot and balance a T account.
15. Describe the effects of debits and credits on specific types of accounts.
16. Use T accounts to analyze transactions
17. Prepare a trial balance and explain its purposes and linkages with the financial statements.
18. Describe the flow of data from source documents through the trial balance.
19. Describe the chart of accounts as a means of classifying financial information
20. Describe and explain the purpose of source documents.
21. Journalize transactions.
22. Post to the general ledger and prepare a trial balance.
23. Explain how to find and correct errors.
24. Prepare end-of-period adjustments.
25. Prepare a worksheet
26. Describe methods for finding errors on the worksheet.

27. Journalize adjusting entries
28. Post adjusting entries to the general ledger.
29. Prepare financial statements with the aid of a worksheet.
30. Journalize and post closing entries.
31. Prepare a post-closing trial balance.
32. List and describe the steps in the accounting cycle.
33. Describe how to open and use a checking account.
34. Prepare a bank reconciliation and related journal entries.
35. Establish and use a petty cash fund.
36. Establish a change fund and use the cash short and over account.
37. Describe merchandise sales transactions.
38. Describe and use merchandise sales accounts.
39. Describe and use the accounts receivable ledger.
40. Prepare a schedule of accounts receivable
41. Define merchandise purchases transactions.
42. Describe and use merchandise purchases accounts and compute gross profit.
43. Describe and use the accounts payable ledger.
44. Prepare a schedule of accounts payable.
45. Describe, explain the purpose of, and identify transactions recorded in special journals.
46. Describe and use the sales journal.
47. Describe and use the cash receipts journal.
48. Describe and use the purchases journal.
49. Describe and use the cash payments journal.
50. Explain the impact of merchandise inventory on the financial statements.
51. Describe the two principal systems of accounting for merchandise inventory—the periodic system and the perpetual system.
52. Compute the costs allocated to the ending inventory and cost of goods sold using different inventory methods.
53. Estimate the ending inventory and cost of goods sold by using the gross profit and retail inventory methods.

METHOD OF INSTRUCTION

The course is taught through lecture, question and answer, and problem-solving. Students will be required to attend and participate in class, work application exercises and problems, and complete individual and group exercises. Extensive use will be made of the whiteboard, presentation stand, and PowerPoint presentations.

METHOD OF EVALUATION

Exams and Quizzes	70 %
Assignments	25 %
Attendance/Participation	5 %

The grading scale is as follows:

- 90 -100% = A
- 80 - 89% = B
- 70 - 79% = C
- 60 - 69% = D

Class participation is encouraged and is evidenced by punctuality, regular attendance, active participation in class discussions, and timely, accurate and legible preparation of homework. You are highly encouraged to ask questions, as the educational process requires active involvement from each student.

COURSE REQUIREMENTS AND ASSIGNMENT POLICY

Assigned material needs to be read prior to the class presentation and lecture. Problems and exercises are to be completed in pencil and submitted on the due date in proper and legible form. Almost all homework will be graded. Homework handed in late will be penalized. Semester assignments will be distributed in another document.

TEST POLICY

Most exams will be composed of two parts: objective and application. Missed exams cannot be made-up unless prior arrangements have been made with the instructor.

Test Schedule

Test #1: Chapters 1 and 2

Test #2: Chapters 3 and 4

Test #3: Chapters 5 and 6

Test #4: Chapters 7 and 10

Test #5: Chapters 11 and 12

Test #6: Comprehensive Final (includes chapter 13)

Final Exam: MW at 12:15 class: Thursday, December 13, 3:15-5:15 p.m.

TR at 9:25 class: Wednesday, December 12, 8:00-10:00 a.m.

ATTENDANCE POLICY

Colby Community College views class attendance as a mandatory activity. Students are expected to attend classes in which they are enrolled. If you are sick, you are encouraged to visit the Health Center. It is your responsibility to notify me of any absence due to illness or any other reason.

Your instructor not only encourages class attendance but expects it. Attendance and class participation will count for 5% of your grade. Miss one class day and you will find yourself hours behind. Roll will be taken and recorded on Trojan Web.

ACADEMIC INTEGRITY POLICY

Colby Community College defines academic integrity as learning that leads to the development of knowledge and/or skills without any form of cheating or plagiarism. This learning requires respect for Colby's institutional values of quality, service, and integrity. All Colby Community College students, faculty, staff, and administrators are responsible for upholding academic integrity.

Cheating is giving, receiving, or using unauthorized help on individual and group academic exercises such as papers, quizzes, tests, and presentations through any delivery system in any learning environment. This includes impersonating another student, sharing content without authorization, fabricating data, and

altering academic documents, including records, with or without the use of personal and college electronic devices.

Plagiarism is representing or turning in someone else's work without proper citation of the source. This includes unacknowledged paraphrase, quotation, or complete use of someone else's work in any form. It also includes citing work that is not used and taking credit for a group project without contributing to it.

The following procedure will be used for students who violate the policy:

- First Offense—Student will receive a zero for the assignment and the student will be reported to the Dean of Academic Affairs.
- Second Offense—The student will be reported to the Dean of Academic Affairs and removed from the class.
- Third Offense—The student will be reported to the Dean of Academic Affairs and dismissed from the college.

Any questions about this policy may be referred to the Dean of Academic Affairs.

ASSESSMENT

Colby Community College assesses student learning at several levels: general education, program, and course. The goal of these assessment activities is to improve student learning. As a student in this course, you will participate in various assessment activities. An example of your work, a paper, some test questions, a presentation, or other work may be selected for assessment. This process will not affect your grade, will not require you do additional work and your evaluation will be confidentially handled. Results of these activities will be used to improve teaching and learning at Colby Community College.

PHILOSOPHY OF EDUCATION

If you thought this was the easy way out, you were wrong. Even if you have yet to come to believe it yourself, I trust you to be as intelligent and capable as any other student at any other institution of higher learning—therefore, you will be treated as such.

You are at Colby Community College to complete your first two years of university level education. Do not mistake it as anything less—this is not *High School, the Sequel*. If you are here biding time until you go to a “real” college, brace yourself—you’re already there. If you are here because you must postpone your pursuit of a Bachelor’s degree at a four-year institution (for whatever personal reasons), or are returning after an extended leave from your initial education, congratulations—you have chosen wisely. Colby Community College is known for quality education.

In either case, it isn’t anything you can’t handle. If you are deemed both mature and responsible enough to drive, serve in the military, and vote for the leader of the free world, you should be able to handle the demands of a college level education.

SYLLABUS INFORMATION DISCLAIMER

I reserve the right to change any information contained in this document, when necessary, with adequate notice given to the student. Notice shall be given in the classroom during class. No other notice is

required. It is the students' responsibility to stay current with any changes, modifications, adjustments or amendments that are made to this document.

ACCOMODATIONS FOR STUDENTS WITH DISABILITIES

According to the Americans with Disabilities Act, it is the responsibility of each student with a disability to notify the college of his/her disability and to request accommodation. If a member of the class has a documented learning disability or a physical disability and needs special accommodations, he/she should contact Student Support Services, which is located in the Student Union.

CELL PHONE POLICY

Students are required to place their cell phone and iPod in the cell phone caddy when arriving for class. The cell phone must be in the "off" position. Students may retrieve their cell phone when class is over. If a student violates this policy, the instructor will keep the cell phone until 5 p.m. that day.

EQUIPMENT

There is no specific hardware or software is required for this course. Students are required to bring their own calculator to each class session.

BIBLIOGRAPHY

Heintz, Parry, College Accounting, 20E, Thomson/Southwestern, 2011

RECOMMENDED RESOURCES

See Instructor for additional materials.

MISCELLANEOUS MATERIALS

To purchase at CCC Bookstore:

College Accounting, by Heintz & Parry, 20th Ed.

Working Papers/Study Guide, Chapters 1-9, and Chapters 10-15

Miscellaneous:

Notebook

Pencils (no pens please)

Good eraser

Ruler or straight-edge

Calculator

A peer tutor is available in the C.L.C. Check the C.L.C. bulletin board for available tutor times. Tutors are also available in Student Support Services for eligible students.