

CATALOG INFORMATION

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Dept & Nbr: BUS 200 Title: FINANCIAL ACCOUNTNG
Full Title: Financial Accounting

Units	Course Hours	Per Week	Nbr of Weeks	Course Hours	Total
Max: 4.0	Lecture	4.0	17	Lecture	68.0
Min: 4.0	Lab	0.0		Lab	0.0
	Contact DHR	0.0		Contact DHR	0.0
	Contact Total	4.0		Contact Total	68.0
	Non-contact DHR	0.0		Non-contact DHR	0.0

Title 5 Category: 01 AA Degree Applic
Grading: GC Credit course for grade or CR/NC
Repeatability: 00 No repeatability allowed or defined
Also listed as:

CATALOG DESCRIPTION:

This course will introduce students to the accounting of economic transactions according to Generally Accepted Accounting Principles (GAAP) and current Financial Accounting Standards. It examines financial accounting from both the user and preparer perspectives. Economic transactions are reported and analyzed by type of business activity: operating, investing, and financing. This course also examines the financial impact of working and fixed capital transactions on cash flows and profitability for both service and merchandising businesses.

PREREQUISITES:

COREQUISITES:

RECOMMENDED PREPARATION:

BUS 50, knowledge of spreadsheet software, and ENG 80 or placement into ENG 200 through the assessment process

LIMITS ON ENROLLMENT:

SCHEDULE OF CLASSES INFORMATION:

Recommended: BUS 50, knowledge of spreadsheet software, and ENG 80 or placement into ENG 200 through the assessment process

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Transfer Credit: CSU; UC.

ARTICULATION and CERTIFICATE INFORMATION

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ASSOCIATE DEGREE: Effective: Inactive:
 Area:

CSU GE: Effective: Inactive:
 Transfer area:

IGETC: Effective: Inactive:
 Transfer area:

CSU TRANSFER: TRANSFERABLE Effective: FALL 1981 Inactive:

UC TRANSFER: TRANSFERABLE Effective: FALL 1981 Inactive:

CAN:

CERTIFICATE APPLICABLE: C CERTIFICATE APPLICABLE COURSE

APPROVAL AND DATES

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Version 02 Submitted by: JULIE FINNEGAN Date: 05/06/2008
 Department approved: Debra Polak Date: 05/15/2008
 Curriculum approved: 06/01/1981 Version approved: 05/02/2008
 Prerequisites approved: 02/10/1992 Last reviewed: 05/02/2008
Term effective: FALL 2008 Last taught: FALL 2008 Inactive:

COURSE CONTENT

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OUTCOME 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:

- I. Explain how accounting meets the information needs of investors, creditors, managers, regulatory agencies, and taxing authorities.
- II. Command principles, procedures, and concepts underlying the primary financial statements.
- III. Explain the major uses and limitations of financial reporting involving.
 - A. Information disclosed to private stakeholders and public annual reporting process to the SEC.
 - B. Insider Trading, Fraud, Asymmetrical Information issues of FTC.
- IV. Demonstrate the recording and presentation of transactions according to GAAP throughout the accounting cycle.
- V. Process economic transactions from the source document through the closing process.
- VI. Analyze the difference in accounting methods allowed under generally accepted accounting principles for transactions concerning.
 - A. Short and Long Term Assets
 - B. Short and Long Term Liabilities
 - C. Equity.
- VII. Classify the types of business transactions as being operating, investing or financing activities.
- VIII. Compare the difference between accrual based measurements and cash flows from activities.
- IX. Demonstrate analytical, interpersonal, and communication skills in solving problems.

TOPICS AND SCOPE:

- 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
- 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
- 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
- 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
- V. Accounting for Assets
 - A. Monetary and Working Capital: 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 assets
- VI. Accounting for Liabilities
 - A. Current liabilities, contingent liabilities, and the time value of money
 - 1. Recording and disclosing accounts payable, notes payable, currently maturing portions 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
- 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
- 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. Non-cash investing and financing activities
 - E. Preparing the Statement of Cash Flows
 - F. Use of cash flow information
- IX. Financial Statement Analysis
 - A. Horizontal and trend analysis
 - B. Vertical analysis

ASSIGNMENTS:

READING ASSIGNMENTS:

Chapters from the text and other outside business, professional, and career focused literature.

WRITING ASSIGNMENTS:

Homework and Exam written problems and exercises, essay question exams, and team case reports.

OUTSIDE ASSIGNMENTS:

Written/spreadsheet homework involving problem solving and quantitative analysis and group case research, analysis, and presentation.

METHOD OF INSTRUCTION:

Interactive lecture, individual and team problem-solving demonstration

METHODS OF EVALUATION:

Exams (50-75% Multiple choice, true/false, matching items, completion, and short answer) and quizzes/homework and lab exercises (25-50% - written or spreadsheet problem solving).

BASIS FOR GRADING:

The assignment of a grade is based on the level of achievement of the outcomes and objectives of the course outline and is reflected in quantifiable terms in the course syllabus.

REPRESENTATIVE TEXTBOOKS:

Financial & Managerial Accounting, Warren Reeve et al, 2007