

COURSE OUTLINE

Accounting 101 (C-ID Number: ACCT 110) Financial Accounting (C-ID Title: Financial Accounting)

Catalog Statement

ACCTG 101 introduces students to the use of accounting information, and to analysis using accounting and financial concepts and terminology. Accounting information is presented from the user's viewpoint. The course covers financial accounting, dealing with such topics as the accounting cycle, revenue and expense recognition, internal control, external reporting requirements, cash flow, financial statement analysis, GAAP, IFRS and asset, liability, and stockholder's equity valuation. Ethical issues and open-ended exercises requiring critical judgment and narrative response by students may be used throughout the course.

Total Lecture Units: 5.0

Total Laboratory Units: 0.0

Total Course Units: 5.0

Total Lecture Hours: 80

Total Laboratory Hours: 0.0

Total Laboratory Hours To Be Arranged: 0.0

Total Faculty Contact Hours: 80.0

Prerequisite: None

Recommended Preparation: Concurrent enrollment or completion of CABOT 260 or 270, or equivalent spreadsheet experience.

Note: Accounting 101 may not be taken by students who have completed Accounting 106 with a grade of "C" or better.

Course Entry Expectations

Prior to enrolling in the course, the student should be able to:

- format worksheets;
- work with formulas & functions;
- use charts and objects;
- create spreadsheets with data tables and charts;
- use core-level skills and knowledge appropriate to the various software programs.

Course Exit Standards

Upon successful completion of the required coursework, the student will be able to:

- explain the nature and purpose of generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRS);
- explain and apply the components of the conceptual framework for financial accounting and reporting, including the qualitative characteristics of accounting information, the assumptions underlying accounting, the basic principles of financial accounting, and the constraints and limitations on accounting information;
- define and use accounting and business terminology;
- explain what a system is and how an accounting system is designed to satisfy the needs of specific businesses and users; summarize the purpose of journals and ledgers;
- apply transaction analysis, input transactions into the accounting system, process this input, and prepare and interpret the four basic financial statements;
- distinguish between cash basis and accrual basis accounting and their impact on the financial statements, including the revenue recognition and matching principles;
- identify and illustrate how the principles of internal control are used to manage and control the firm's resources and minimize risk;
- explain the content, form, and purpose of the basic financial statements (including footnotes) and the annual report, and how they satisfy the information needs of investors, creditors, and other users;
- explain the nature of current assets and related issues, including the measurement and reporting of cash and cash equivalents, receivables and bad debts, and inventory and cost of goods sold;
- explain the valuation and reporting of current liabilities, estimated liabilities, and other contingencies;
- identify and illustrate issues relating to long-term asset acquisition, use, cost allocation, and disposal;
- distinguish between capital and revenue expenditures;
- identify and illustrate issues relating to long-term liabilities, including issuance, valuation, and retirement of debt (including the time value of money);
- identify and illustrate issues relating to stockholders' equity, including issuance, repurchase of capital stock, and dividends;
- explain the importance of operating, investing and financing activities reported in the Statement of Cash Flows;
- interpret company activity, profitability, liquidity and solvency through selection and application of appropriate financial analysis tools;
- identify the ethical implications inherent in financial reporting and be able to apply strategies for addressing them.

Course Content

Total Faculty Contact Hours = 80.0

Introduction: the purposes, uses, and shortcomings of Accounting Information,

GAAP and IFRS (6 hours)

The Accounting Cycle (15 hours)

Issues of Revenue and Expense Recognition (5 hours)

Merchandising Operations (5 hours)

External Reporting: The content of Annual Reports and Published Audited Financial Statements (5 hours)

Introduction to Financial Statement Analysis (**5 hours**)
Internal Control and Accounting Information Systems (**5 hours**)
Short-term Liquid Assets (**5 hours**)
Inventories (**5 hours**)
Long-term Assets (**5 hours**)
Current and Long Term Liabilities (**5 hours**)
Stockholder's Equity (**5 hours**)
Cash Flow (**5 hours**)
Accounting Ethics and Accounting Fraud (**4 hours**)

Methods of Instruction

The following methods of instruction may be used in the course:

- classroom lecture and discussion;
- group discussion and presentations;
- online activities (accounting interactive activities online).

Out of Class Assignments

The following out of class assignments may be used in the course:

- reading assignments;
- practice sets and accounting forms (e.g. annual reports, financial statements, and other accounting reports and documents typically generated in an accounting office).

Methods of Evaluation

The following methods of evaluation may be used in the course:

- quizzes;
- final examination;
- annual report project.

Textbook(s)

Spiceland, David, Wayne, Thomas and Herrmann, Don. *Financial Accounting*. 3rd ed.
Boston: McGraw-Hill, 2013. Print.
10th Grade Textbook Reading Level. ISBN # 978-0078025549

Student Learning Outcomes

Upon successful completion of the required coursework, the student will be able to:

- demonstrate understanding of accounting terms, classifications, and the components of the conceptual framework. Apply knowledge of financial statements (Balance Sheet, Income Statement, Statement of Stockholder's Equity and Cash Flow statement) and their importance to a business, and its creditors, investors and customers;
- demonstrate ability to read and understand the contents of a corporation's annual report, identifying information and compliance to Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS);
- demonstrate ability to understand the importance of key indicators for a successful business and the users of this information;
- use the accounting system to enter transaction, prepare ledger and journals, prepare financial statements and understand the ethical implications.