

Course Competency

ACG 2021 FINANCIAL ACCOUNTING

Course Description

An introduction to financial accounting concepts and analysis with emphasis on corporate financial statements and determination of income. Corequisite: ACG 2021L. (3 hr. lecture)

Course Competency	Learning Outcomes
<p>Competency 1: The student will demonstrate knowledge of the role of accounting in business administration by:</p>	<ol style="list-style-type: none"> 1. Numbers / Data 2. Critical thinking
<ol style="list-style-type: none"> 1. Describing the nature of a business. 2. Describing the role of accounting in business. 3. Describing the importance of business ethics and the basic principles of proper ethical conduct. 4. Describing the profession of accounting. 5. Summarizing the development of accounting principles and relating them to practice. 6. Stating the accounting equation and defining each element of the equation. 7. Explaining how business transactions can be stated in terms of the resulting changes in the three basic elements of the accounting equation. 8. Describing the financial statements of a corporation and explaining how they interrelate. 	
<p>Competency 2: The student will demonstrate knowledge in analyzing transactions by:</p>	<ol style="list-style-type: none"> 1. Numbers / Data 2. Critical thinking
<ol style="list-style-type: none"> 1. Explaining why accounts are used to record and summarize the effects of transactions on financial statements. 	

<ol style="list-style-type: none"> 2. Explaining the characteristics of an account, the journal, and the general ledger. 3. Listing the rules of debit and credit and the normal balances of accounts. 4. Journalizing and posting general business transactions. 5. Preparing a trial balance and explaining how it can be used to discover errors. 6. Discovering errors in transactions and making corrections. 	
<p>Competency 3:The student will illustrate the matching concept and the adjusting process by:</p>	<ol style="list-style-type: none"> 1. Numbers / Data 2. Critical thinking 3. Communication
<ol style="list-style-type: none"> 1. Explaining how the matching concept relates to the accrual basis and cash basis of accounting. 2. Explaining why adjustments are necessary and listing the characteristics of adjusting entries. 3. Journalizing and posting entries for accounts requiring adjustment. 4. Summarizing the adjustment process and preparing an adjusted trial balance. 5. Analyzing the effects of omissions of adjustments on the financial statements. 	
<p>Competency 4:The student will demonstrate knowledge in completing the accounting cycle by:</p>	<ol style="list-style-type: none"> 1. Numbers / Data 2. Critical thinking 3. Communication
<ol style="list-style-type: none"> 1. Explaining the difference between permanent and temporary accounts. 2. Identifying and preparing a classified balance sheet. 3. Journalizing and posting closing entries. 4. Explaining the difference between a fiscal year and the natural business year. 5. Demonstrating an understanding of the steps of the accounting cycle. 	

<p>6. Showing a full understanding of the steps of the accounting cycle.</p>	
<p>Competency 5:The student will illustrate the accounting for a merchandising business by:</p>	<ol style="list-style-type: none"> 1. Numbers / Data 2. Critical thinking
<ol style="list-style-type: none"> 1. Distinguishing the activities of a service business from those of merchandising business. 2. Journalizing the entries for merchandise transactions, including: • Merchandise purchase • Merchandise sales • Merchandise transportation costs • Transactions for both the buyer and the seller 3. Preparing an income statement for a merchandising business. 4. Describing the accounting cycle for a merchandising business. 5. Identifying the difference between the single step and multiple step income statement. 	
<p>Competency 6:The student will describe the principles of internal control, accounting systems and cash accounting by:</p>	<ol style="list-style-type: none"> 1. Numbers / Data 2. Communication 3. Critical thinking
<ol style="list-style-type: none"> 1. Listing the three objectives of internal control, and defining and giving examples of the five elements of internal control. 2. Describing the nature of cash and the importance of internal control over cash. 3. Summarizing basic procedures for achieving internal control over cash receipts. 4. Summarizing the basic procedures for achieving internal control over cash payments, including the use of a voucher system. 5. Describing the nature of a bank account and its use in controlling cash. 6. Preparing a bank reconciliation and 	

<p>journalizing any necessary entries.</p> <p>7. Accounting for small cash transactions, using a petty cash fund.</p>	
<p>Competency 7:The student will demonstrate a knowledge of receivables by:</p>	<ol style="list-style-type: none"> 1. Numbers / Data 2. Critical thinking 3. Information Literacy
<ol style="list-style-type: none"> 1. Listing the common classification of receivables. 2. Summarizing and providing examples of internal control procedures that apply to receivables. 3. Describing the nature of and the accounting for uncollectible receivables. 4. Journalizing the entries for the allowance method of accounting for uncollectibles, and estimating uncollectible receivables based on sales and on an analysis of receivables. 5. Journalizing the entries for the direct write-off method of accounting for uncollectible receivables. 6. Describing the nature and characteristics of promissory notes. 7. Journalizing the entries for notes receivable transactions. 8. Describing the presentation of receivables on the balance sheet. 	
<p>Competency 8:The student will demonstrate knowledge of accounting concepts, principles and procedures related to merchandise inventory by:</p>	<ol style="list-style-type: none"> 1. Numbers / Data 2. Critical thinking
<ol style="list-style-type: none"> 1. Summarizing and providing examples of internal control procedures that apply to inventory. 2. Describing the effect of inventory errors on the financial statements. 3. Describing the three main inventory cost flow assumptions and how they impact the financial statements. 4. Computing the cost of inventory under the 	

<p>periodic inventory system, using the FIFO (first-in, first-out), LIFO (last-in, first-out), and Average Cost Method.</p> <ol style="list-style-type: none"> 5. Computing the cost of inventory under the perpetual inventory system, using FIFO (first-in, first-out) and LIFO (last-in, first-out). 6. Comparing and contrasting the use of the three main inventory costing methods. 7. Computing the proper valuation of inventory at other than cost, using the lower-of-cost-or market concept. 8. Describing the presentation of merchandise inventory on the balance sheet. 9. Estimating the cost of inventory, using the retail and gross profit methods. 	
<p>Competency 9: The student will demonstrate knowledge of accounting for fixed and intangible assets by:</p>	<ol style="list-style-type: none"> 1. Numbers / Data 2. Critical thinking 3. Communication
<ol style="list-style-type: none"> 1. Defining fixed assets, natural resources, and intangible assets. 2. Identifying what items are included in the cost of a fixed asset. 3. Classifying fixed asset costs as either capital expenditures or revenue expenditures. 4. Computing depreciation, using the following methods: straight-line, units-of-production, and declining-balance method. 5. Computing depletion and journalizing the entry for depletion. 6. Journalizing entries for the disposal of fixed assets. 7. Describing internal controls over fixed assets. 8. Describing how depreciation expense is reported in an income statement. 9. Describing the presentation of fixed assets, natural resources, and intangible assets on the balance sheet. 10. Understanding the accounting for 	

<p>intangible assets, including amortization.</p>	
<p>Competency 10:The student will illustrate accounting procedures for current liabilities by:</p>	<ol style="list-style-type: none"> 1. Numbers / Data 2. Ethical Issues 3. Communication
<ol style="list-style-type: none"> 1. Journalizing entries for short-term notes payable. 2. Describing the accounting treatment for contingent liabilities and product warranties. 3. Determining employer liabilities for payroll. 4. Describing the accounting for payroll and the use of a payroll register. 5. Journalizing payroll, employers' liability, and employee fringe benefits. 6. Determining gross pay, deductions, and net pay for an individual employee. 	
<p>Competency 11:The student will explain the nature of the corporate form of organization and how a corporation accounts for stock by:</p>	<ol style="list-style-type: none"> 1. Numbers / Data 2. Critical thinking 3. Communication
<ol style="list-style-type: none"> 1. Describing the characteristics of the corporate form of organization. 2. Listing the major sources of paid-in capital, including the two main classes of stock. 3. Journalizing the entries for issuing stock. 4. Journalizing the entries for treasury stock transactions. 5. Stating the effect of stock splits on corporate financial statements. 6. Journalizing the entries for cash dividends and stock dividends. 7. Determining dividend distribution for the two main classes of stock. 	
<p>Competency 12:The student will utilize technology in recording and summarizing accounting information by:</p>	<ol style="list-style-type: none"> 1. Numbers / Data 2. Computer / Technology Usage

<ol style="list-style-type: none"> 1. Using a general ledger system. 2. Preparing spreadsheets on Excel. 3. Utilizing online homework management systems. 4. Using the internet to access examples of corporate financial statements. 	
<p>Competency 13:The student will reinforce their knowledge of critical thinking and oral and written communication skills by:</p>	<ol style="list-style-type: none"> 1. Numbers / Data 2. Ethical Issues 3. Computer / Technology Usage
<ol style="list-style-type: none"> 1. Reading accounting material published in books, journals, and other sources of information online. 2. Writing and presenting reports on basic accounting ethical issues and current events. 	

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