



Course Description

ACG2001 | Principles of Accounting I | 3.00 credits

An introduction to the basic principles of financial accounting with emphasis on basic accounting procedures such as recording of transactions and the preparation of financial statements. Other topics include inventory and cash. ACG2001 and ACG2011 can be substituted for ACG2021. Co-requisite: ACG2001L

Course Competencies:

Competency 1: The student will demonstrate knowledge of the role of accounting in business administration by:

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

Competency 2: The student will demonstrate knowledge in analyzing transactions by:

1. Explaining the characteristics of an account, the journal and the general ledger
2. Listing the rules of debit and credit and the normal balances of accounts
3. Journalizing and posting general business transactions
4. Preparing a trial balance and explaining how it can be used to discover errors
5. Discovering errors in transactions and making corrections

Competency 3: The student will demonstrate knowledge in analyzing transactions by:

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

Competency 4: The student will demonstrate knowledge in completing the accounting cycle by:

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
6. Showing a full understanding of the steps in the accounting cycle

Competency 5: The student will illustrate the accounting for a merchandising business by:

1. Distinguishing the activities of a service business from those of merchandising business
2. Journalizing the entries for merchandise transactions, including:
 - a. Merchandise purchase
 - b. Merchandise sales
 - c. Merchandise transportation costs
 - d. Transactions for both the buyer and the seller

3. Preparing an income statement for a merchandising business
4. Identifying the difference between the single step and multiple step income statement
5. Describing the accounting cycle for a merchandising business

Competency 6: The student will describe the principles of internal control, accounting systems and cash accounting by:

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 journalizing any necessary entries
7. Accounting for small cash transactions, using a petty cash fund

Competency 7: The student will demonstrate knowledge of accounting concepts, principles and procedures related to merchandise inventory by:

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 periodic inventory system, using the FIFO (first-in, first-out), LIFO (last-in, first-out), and average cost method
5. Computing the cost of inventory under the perpetual inventory system, using the 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 project methods

Competency 8: The student will utilize technology in recording and summarizing accounting information by:

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

Competency 9: The student will reinforce their knowledge of critical thinking and oral and written communication skills by:

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

Learning Outcomes:

- Use quantitative analytical skills to evaluate and process numerical data
- Formulate strategies to locate, evaluate, and apply information