

ACC111 Principles of Financial Accounting – Administrative Outline

Course Information

Organization	Mercer County Community College
Credits	4
Contact Hours	3/1

Description

Study of the accounting cycle and how accounting data impacts business decisions. Emphasis on understanding the "why" of accounting as well as the "how".

Prerequisites

MAT034 or equivalent proficiency

Revised: Spring 2021

Course Competencies/Goals:

The student will be able to:

- A. Define the basic principles and concepts as they relate to practical accounting problems.
- B. Demonstrate an understanding of the concepts of accrual accounting.
- C. Discuss and identify the three types of business activities and how to account for each.
- D. Explain how accounting can be used as a tool to assist in making business decisions.
- E. Analyze a business transaction into its debit and credit elements.
- F. Complete the accounting cycle: journalize entries, post to general ledger, adjust accounts, and prepare financial statements.
- G. Interpret various accounting data and appropriately apply basic principles of accounting to the data.
- H. After analyzing case study situations, recommend to management a possible accounting solution.

General Education Knowledge Goals:

- Goal 1: Communication. Students will communicate effectively in both speech and writing.
- Goal 2: Mathematics: Students will use appropriate mathematical and statistical concepts and operations to interpret data and to solve problems.
- Goal 9: Ethical Reasoning and Action. Students will understand ethical issues and situations.

MCCC Core Skills:

Goal A: Written and Oral Communication in English: Students will communicate effectively in speech and writing, and demonstrate proficiency in reading.

Goal B: Critical Thinking and Problem-solving. Students will use critical thinking and problem-solving skills in analyzing information.

Goal C: Ethical Decision-Making: Students will recognize, analyze and assess ethical issues and situations.

Goal F: Collaboration and Cooperation. Students will develop the interpersonal skills required for effective performance in group situations.

Units of Study in Detail

Competencies:

1. Explain what accounting information is, its uses, and users	
Learning Objectives:	
	a. Describe the purpose of accounting. (Course Competencies A; General Education 1; MCCC Core A)
	b. Identify the primary users of accounting information. (Course Competencies A; General Education 1; MCCC Core A)
	c. Discuss General Accepted Accounting Principles. (Course Competencies A; General Education 1: MCCC Core A)
	d. Apply the accounting equation to transactions (Course Competencies A; General Education 1; MCCC Core A)
2. Describe the components of basic financial statements	
Learning Objectives:	
	a. Describe the basic elements, uses, and limitations of the balance sheet.(Course Competencies A; General Education 1; MCCC Core A)
	b. Describe the basic elements and uses of the income statement. (Course Competencies A; General Education 1; MCCC Core A)
	c. Define individual cash flow items used in the statement of cash flows. (Course Competencies A, C; General Education 1; MCCC Core A)
	d. Explain the fundamental concepts and assumptions that underlie financial accounting. (Course Competencies A; General Education 1; MCCC Core A)
3. Perform the mechanics of accounting	
Learning Objectives:	
	a. Record the effects of transactions using journal entries. (Course Competencies B, E; General Education 2; MCCC Core B)
	b. Summarize the resulting journal entries through posting and prepare a trial balance. (Course Competencies B, E; General Education 2; MCCC Core B)
4. Complete the accounting cycle	
Learning Objectives:	
	a. Describe how accrual accounting allows for timely reporting. (Course Competencies B, D; General Education 1; MCCC Core A)
	b. Calculate and journalize adjusting entries for: Unrecorded receivables, unrecorded liabilities, prepaid expenses, and unearned revenues. (Course Competencies B, E; General Education B 1, 2; MCCC Core A, B)
	c. Explain the preparation of financial statements. (Course Competencies F, G; General Education 1,2; MCCC Core A, B, C)

	d. Complete the closing process in the accounting cycle. (Course Competencies E, G; General Education 1, 2; MCCC Core A, B, C)
5.	Describe the accounting for the selling of a product or a service
	Learning Objectives
	a. Discuss the nature of the operating cycle (Course Competencies B, E; General Education 1, 2; MCCC Core A, B)
	b. Journalize sales transactions (Course Competencies B, E; General Education 1, 2; MCCC Core A,B)
	c. Prepare financial statements for a merchandising firm (Course Competencies B, D, G; General Education 1, 2; MCCC Core A, B)
	d. Assess how well companies manage their receivables. (Course Competencies D, G; General Education 1, 2; MCCC Core A, B)
6.	Explain the process of accounting for inventory
	Learning Objectives
	a. Identify what costs should be included in inventory and cost of goods sold. (Course Competencies A, D, E, G; General Education 1, 2; MCCC Core A, B)
	b. Account for purchases of inventory using the perpetual inventory method. (Course Competencies A, D, E, G; General Education 1, 2; MCCC Core A, B)
	c. Calculate the cost of goods sold and ending inventory using the FIFO, LIFO and weighted average methods. (Course Competencies A, D, E, G; General Education 1, 2; MCCC Core A, B)
	d. Complete the closing process in the accounting cycle for a merchandising organization.(Course Competencies E, G; General Education 1, 2; MCCC Core A, B, C)
	e. Assess how well companies manage their inventories. (Course Competencies D, G, H; General Education 1, 2; MCCC Core A, B)
	f. Explain the gross margin method of estimating inventories. (Course Competencies A, D, G; General Education 1, 2; MCCC Core A, B)
7.	Perform the activities related Receivables
	Learning Objectives
	a. Discuss the classification of Receivables (Course Competencies A, B, D, E, G; General Education 1, 2; MCCC Core A, B)
	b. Apply the GAAP as they relate to uncollectible Accounts Receivable (Course Competencies A, B, D, E, G; General Education 1, 2; MCCC Core A, B)
	c. Account for Notes Receivable (Course Competencies A, B, D, G; General Education 1, 2, MCCC Core A, B)
	d. Calculate and explain the significance of Accounts Receivable Turnover and Number of Days' Sales in Receivables (Course Competencies A, D, F, G; General Education 1, 2, 9; MCCC Core A, B, C)
8.	Describe the accounting procedures for long-term operating assets
	Learning Objectives
	a. Identify the two major categories of long-term operating assets: property, plant, and equipment and intangible assets. (Course Competencies A, C, D; General Education 2; MCCC Core A)
	b. Account for the acquisition of property, plant, and equipment. (Course Competencies A, E; General Education A; MCCC Core A, B)
	c. Compute straight-line, units of production declining-balance depreciation expense for plant and equipment. (Course Competencies A, B, D, E; General Education 1, 2; MCCC Core A, B)
	d. Account for the disposal of property, plant, and equipment. (Course Competencies

	A, B, D, E, G; General Education 1, 2; MCCC Core A, B)
	e. Discuss the acquisition and amortization of intangible assets. (Course Competencies A, B, D, E, G; General Education 1, 2; MCCC Core A, B)
9.	Explain the concepts related current liabilities, long term liabilities and payroll
	Learning Objectives
	a. Use present value concepts to measure long-term liabilities. (Course Competencies A, D, G; General Education 1, 2; MCCC Core A, B)
	b. Account for: installment notes receivable (Course Competencies A, B, E, F; General Education 1, 2; MCCC Core A, B)
	c. Discuss the nature of bonds. (Course Competencies A, D, G; General Education 1; MCCC Core A, B)
	d. Determine the issuance price of bonds. (Course Competencies A, D, G; General Education 1, 2; MCCC Core A, B)
	e. Describe the accounting for bonds issued at face value. (Course Competencies A, B, E, F, G; General Education 1, 2; MCCC Core A, B)
	f. Use debt related ratios to determine the degree of a company's leverage and its ability to repay loans. (Course Competencies A, D, H; General Education 1, 2; MCCC Core A, B)
	g. Account for current liabilities: accounts payable, short-term notes payable .(Course Competencies A, D, G; General Education 1, 2; MCCC Core A, B)
	h. Applies the GAAP for payroll and payroll taxes.(Course Competencies A, D, G; General Education 1, 2; MCCC Core A, B)
10.	Discuss equity financing
	Learning Objectives
	a. Describe the basic characteristics of a corporation and the nature of common and preferred stock. (Course Competencies A, D; General Education 1; MCCC Core A)
	b. Account for the issuance and repurchase of common and preferred stock. (Course Competencies A, B, D, E; General Education 1, 2; MCCC Core A, B)
	c. Record the entries for cash dividends. (Course Competencies A, D, E; General Education 1, 2; MCCC Core 1,2)
	d. Calculate the dividend payout ratio. (Course Competencies A, D, G; General Education 1, 2; MCCC Core A, B)
11.	Explain the procedures used to ensure the integrity of financial information
	Learning Objectives
	a. Discuss the requirements of the Sarbanes-Oxley Act .(Course Competencies A, D, G; General Education 1, 2; MCCC Core A, B)
	b. Describe the safeguards employed to ensure that financial statements are free from problems. (Course Competencies A, B, D, E; General Education 1, 2, 9; MCCC Core A, B, C, F)
	c. Apply the purpose and principles of Internal Control. (Course Competencies A, D, G; General Education 1, 2; MCCC Core A, B)
	d. Complete the reconciliation of a bank statement as part of the internal control of cash. (Course Competencies A, D, G; General Education 1, 2; MCCC Core A, B)
	e. Calculate and explain the Ratio of Cash to Monthly Cash Expenses. (Course Competencies A, D, G; General Education 1, 2; MCCC Core A, B)

Grading Information

Grading Scale

Tests	60% (Chapters 1, 2, 3, 4, 6, 7, 8, 9, 10,11, 13, 14)
Written Projects	15% (Course Competencies D, E; General Education 1, 2, 9) MCCC Core A, B, C, F)
Quizzes/Class	5%
Final Exam	20%

Reasonable Accommodations for Students with Documented Disabilities

Mercer County Community College is committed to supporting all students in their academic and co-curricular endeavors. Each semester, a significant number of students document disabilities, which may require learning, sight, hearing, manual, speech, or mobility accommodations to ensure access to academic and co-curricular activities. The college provides services and reasonable accommodations to all students who need and have a legal entitlement to such accommodations.

Academic Integrity

ACADEMIC INTEGRITY: Academic integrity refers to the total quality of the search for knowledge which a student undertakes. A student will be guilty of violating academic integrity if he/she:

- A. knowingly represents the work of others as his/her own.
- B. uses or obtains unauthorized assistance in the execution of an academic work
- C. gives fraudulent assistance to another student.

For any single violation of any of the College's policies on Academic Integrity in this course, the student will receive a zero for the assignment AND the final course grade will be lowered by one full letter grade (for example, a B would become a C). For a second violation, the student will fail the course. In all cases, the Chair of the Academic Integrity Committee will be notified of the violation and the penalty imposed. When two (or more) violations of academic integrity are reported on a student, the Academic Integrity Committee (AIC) may impose disciplinary penalties beyond those imposed in this course. The student shall have the right to a hearing before the AIC or a designated AIC subcommittee.