# Course Description

An introduction to basic principles of financial accounting, the effects of business transactions, and the effect on the financial statements. Learn how to prepare basic financial statements and to engage in decision-making essentials in our economic system through analysis of receivables and inventories.

# University Learning Outcomes (ULO)

* **ULO1:**Knowledge of Human Cultures and the Physical and Natural World
* **ULO2:**Intellectual and Practical Skills
* **ULO3:**Personal and Social Responsibility
* **ULO4:**Integrative and Applied Learning­
* **ULO5:**Immersed in the Critical Concerns of the Sisters of Mercy of the Americas

# Program Learning Outcomes (PLO)

* **PLO1:** The student will be able to prepare effective and clearly written business communications. (ULO 2, 4)
* **PLO2:** The student will display appropriate quantitative problem-solving abilities in the context of a business problem. (ULO 1, 2)
* **PLO3:** The student will be able to apply ethical and moral decision-making principles to business situations. (ULO 2, 3, 4)
* **PLO4:** The student will demonstrate proficiency in the business areas of accounting, management, marketing, and economics. (ULO 1, 2, 3, 4)

# Course Learning Outcomes (CLO)

* **CLO1:** Prepare basic financial statements.
* **CLO2:** Describe how financial statements reflect the financial standing of an organization.
* **CLO3:** Explain the role of the accounting discipline in organizational decision making.
* **CLO4:** Explain ethical issues in accounting.

# Student Expectations

Students are expected to do the following:

* Ask probing and insightful questions related to course content.
* Make meaningful and relevant connections and application to their own learning process.
* Be productive and contributing members of class discussions.

# Required Course Materials

William, J. R., Haka, S. F., Bettner. M. S., & Carcello. J. V. (2018). *Financial accounting* (17th ed.). New York, NY: McGraw-Hill Education.

ISBN: 978-1-259-69239-0

# Suggested Point Values

|  |  |  |
| --- | --- | --- |
| **Assessment** | **Point Value** | **Due** |
| **Week 1** |  |  |
| Discussion Question 1: Objectives of Financial Accounting | 15 |  |
| Unethical Behavior | 15 |  |
| Ch. 2 Exercise | 15 |  |
| Ch. 2 Problems | 20 |  |
| Week 1 Quiz | 100 |  |
| **Week 2** |  |  |
| Discussion Question 1: Adjusting Entries in Accrual Accounting | 15 |  |
| Discussion Question 2: Matching and Realization Principle | 15 |  |
| Discussion Question 3: Concept of Materiality | 15 |  |
| Ch. 3 Problems and Ch. 4 Problem | 135 |  |
| Week 2 Quiz | 100 |  |
| **Week 3** |  |  |
| Discussion Question 1: Profitability and Liquidity | 15 |  |
| Discussion Question 2: Disclosures | 15 |  |
| Ch. 5 Exercises | 20 |  |
| Ch. 5 Problem | 20 |  |
| Ch. 5 Critical-Thinking Case | 40 |  |
| **Week 4** |  |  |
| Discussion Question 1: Manipulating Income | 15 |  |
| Discussion Question 2: Grandmother’s Secret | 15 |  |
| Ch. 6 Exercises | 15 |  |
| Ch. 6 Problem and Ch. 7 Problem | 40 |  |
| Ch. 7 Exercise | 15 |  |
| Week 4 Quiz | 100 |  |
| **Week 5** |  |  |
| Discussion Question 1: Inventory Valuation | 15 |  |
| Discussion Question 2: Dealing with the Bank | 15 |  |
| Ch. 8 Problems | 100 |  |
| Review of Financial Statements | 15 |  |
| Week 5 Quiz | 100 |  |
| **Total Points** | **1000** |  |

**Grading Scale**

|  |  |
| --- | --- |
| **Grade** | **Range** |
| A | 93–100 |
| A- | 90–92 |
| B+ | 87–89 |
| B | 83–86 |
| B- | 82–80 |
| C+ | 77–79 |
| C | 73–76 |
| C- | 70–72 |
| D+ | 67–69 |
| D | 63–66 |
| D- | 60–62 |
| F | 59 |

# Course Schedule

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| --- | --- | --- |
| **Week** | **Start** | **End** |
| One | <insert start date> | <insert end date> |
| Two |  |  |
| Three |  |  |
| Four |  |  |
| Five |  |  |

# Weekly Learning Modules

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| **Week One: Introduction to Financial Accounting** | | | |
| ***Learning Objectives*** | | ***Alignment*** | |
| * 1. Explain how unethical behavior can affect an organization’s financial standing. | | CLO3, CLO4 | |
| * 1. Identify elements of three primary financial statements. | | CLO1 | |
| * 1. Identify the impact of accounting principles on financial statements. | | CLO1, CLO2 | |
| * 1. Apply the elements of the accounting equation. | | CLO1, CLO2 | |
| * 1. Identify the roles that professional organizations play in the accounting field. | | CLO3 | |
| ***Resources, Activities, and Preparation***  *Utilize these resources and complete these activities in preparation for your graded assignments.* | | ***Alignment*** | ***AIE*** |
| **Tutorials**  During this course you will be asked to use and participate in various technologies to complete activities and assignments.  **Review** the tutorials available on Blackboard, as needed.  **Click** the **Student Resources** button from the menu on the left. | | N/A | N/A |
| **Weekly Participation and Discussion**  The purpose of the weekly discussions is to provide you with a way to synthesize the concepts presented in this course. Each week, you will respond to the discussion questions with a substantive post that addresses all the prompts for the question by 11:59 p.m. EST of the listed due date. By the conclusion of each week, Sunday at 11:59 p.m. EST, you will make at least 1 substantive comment of 100 to 150 words to 3 of your classmates’ posts for each assigned discussion question. Your comments must further the discussion by following the RISE model for meaningful feedback. It is recommended that you check in periodically throughout the week to ensure that you are meeting the participation requirement.  **Review** the RISE Model for Peer Feedback, located on Blackboard. | |  |  |
| **Readings**  **Read** Ch. 1 & 2 of *Financial Accounting.*  Feel free to post questions and comments about these resources in the General Questions & Discussion forum. | | 1.1,1.2,1.3,1.4,1.5 | Discuss course materials = 0.5hr |
| **Week 1 Self-Check**  **Complete**the Self-Check based on Ch. 1 & 2. This activity is not graded and provides an opportunity to practice before completing this week's for-points assessments. | |  |  |
| ***Supplemental Resources and Activities***  *Explore these optional resources to deepen your understanding.* | | ***Alignment*** | ***AIE*** |
| **Adobe Connect Live Discussion**  **Review** [Adobe Connect Resources](https://sites.gmercyu.edu/student-resources/adobe-connect-resources/).  **Participate** in the scheduled live session with the course instructor. This session will provide an overview of the course and discuss the major assignments in the course.  **Prepare** to ask questions concerning the content of the week and the course as a whole.  *Note:* A recorded lecture will be made available to those who are unable to attend the live session. | |  | Live class instruction and discussion = 1hr |
| **Supplemental Resources and Video**  **Review** the following websites for information, videos, and tutorials about Microsoft Excel functionality:   * [Excel 2013 training courses, videos and tutorials](https://support.office.com/en-nz/article/Training-courses-for-Excel-2013-aaae974d-3f47-41d9-895e-97a71c2e8a4a) * [Microsoft Office](http://www.gcflearnfree.org/office) * [Using the Accounting Equation: Analyzing Business Transactions](http://education-portal.com/academy/lesson/using-the-accounting-equation-analyzing-business-transactions.html)   Feel free to post questions and comments about these resources in the General Questions & Discussion forum. | |  | Discuss course materials = 0.5hr |
| ***Graded Assignments***  *Complete these graded assessments by the end of the week unless specified otherwise.* | | ***Alignment*** | ***AIE*** |
| **Discussion Question: Objectives of Financial Accounting**  **Post** a clear and logical response in 250 to 300 words to the following, providing specific examples to support your answers:   * How does the description of accounting as the “language of business” relate to accounting as being useful for investors and creditors? * Explain how the decisions you would make might differ if you were an external investor or a member of an enterprise’s management team.   *Note*: Initial answers to the questions are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least 3students (class size permitting) in a manner that is thought provoking and that appropriately challenges or elevates the discussion. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 1.5 | Discussion Board = 1hr |
| **Unethical Behavior  Watch** “[25 Biggest Corporate Scandals Ever](https://www.youtube.com/watch?v=8UwSUDvWBBU).”  **Select** one scandal, and **conduct** research for additional information.  **Write** a 1- to 2-page paper in which you address the following:   * What was the unethical behavior in the scandal? * What could have been done to stop it? * What was the financial impact to employees, investors, or other stakeholders of the organization? * How might this scandal impact decision making within the organization?   **Support** your paper with at least 1 reputable reference.  **Format** your paper according to APA guidelines, and provide a reference page for all resources used. Points will be deducted for improperly formatted papers.  **Submit** your paper by 11:59 p.m. (Eastern Time) on Sunday. | | 1.1 |  |
| **Ch. 2 Exercise**  **Complete** the following exercise from Exercises (p. 72 in Ch. 2 of *Financial Accounting*):   * 2.13 * 2.14     **Submit** your answer by 11:59 P.M. (EST) on Sunday. | | 1.2, 1.4 | Problems =0.5hr |
| **Ch. 2 Problems**  **Review** Problems 2.1A, 2.2A, & 2.3A in Problem Set A (pp. 73 & 74 in Ch. 2 of *Financial Accounting*).  **Review** the solutions to 2.1A, 2.2A, & 2.3A.  **Complete** the following problems from Problem Set B (pp. 78 & 79 in Ch. 2 of *Financial Accounting*),using the Ch. 2 Template, located on Blackboard, as an example. You will need to reformat the template to match these problems.   * 2.1B (a & b) * 2.2B (a–f) * 2.3B (a & b)   **Submit** your answers by 11:59 p.m. (Eastern Time) on Sunday. | | 1.3,1.4 | Problems = 2.5hr |
| **Week 1 Quiz**  **Complete** the Week 1 Quiz by 11:59 P.M. (EST) on Sunday. | | 1.5 | Quiz = 2hr |
| **Total** |  |  | **8.25hr** |

# Faculty Notes

**Course Setup**

**General Questions and Discussion Forum:** This course includes a discussion forum for general questions, comments, and concerns. This forum is intended for any course-related commentary not found within a specific weekly discussion. This forum is not graded. Make sure to monitor this forum for student posts. You are encouraged to make an announcement advertising this forum and monitor and post regularly to build engagement.

**Adobe Connect:** Consider posting an announcement asking students to submit any questions or topics they'd like addressed ahead of time. The instructor can then utilize those questions that come up in the first part of the week to tailor the live Adobe Connect class session that would be scheduled toward the later part of the week. That 1-hour synchronous session will allow students the opportunity to go over any questions they had with the homework and clarify any misconceptions they have about the course content. All Adobe Connect sessions should be recorded and a link to the recording be posted to the course page so any student who misses the session can review it later in the week.

*Note:* It is the instructor’s choice as to what day they will schedule the Adobe Connect Live Session, but it is recommended that they schedule this session for Wednesday of the week so students have plenty of time to review their homework prior to the deadline on Sunday.

**Ch. 2 Problems, 2.1A (b)**: Students are asked to base their answers to part b on the balance sheet alone. Students may correctly point out that a balance sheet does not indicate the rate at which cash flows into a business. Perhaps the company can generate enough cash from daily operations to pay its debts. A recent statement of cash flows would be useful in making a more complete analysis of the company's financial position.

**Week 1 Quiz:** Answer sheets are located on the Start Here page, visible only to faculty when editing mode is turned on.

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| Week Two: The Accounting Cycle | |  |  |
| ***Learning Objectives*** | | ***Alignment*** | |
| * 1. Generate journal entries for the balance sheet and income statement. | | CLO1 | |
| * 1. Analyze the impact of journal entries on the balance sheet and income statement. | | CLO1, CLO2 | |
| * 1. Explain why it is important for an organization to adhere to the matching and realization principles.   2. Prepare a trial balance.   3. Illustrate the four adjusting entries.   4. Explain the principle of materiality.   5. Interpret the financial impact of the incorrect posting of adjusting entries. | | CLO2  CLO1  CLO1  CLO1  CLO1, CLO4 | |
| ***Resources, Activities, and Preparation***  *Utilize these resources and complete these activities in preparation for your graded assignments.* | | ***Alignment*** | ***AIE*** |
| **Read** Ch. 3 & 4 of *Financial Accounting*.  Feel free to post questions and comments about these resources in the General Questions & Discussion forum. | | 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7 | Discuss course materials = 0.5hr |
| **Adobe Connect Live Class Session**  **Prepare** to review the homework questions and topics for this week in a 1-hour live class session via Adobe Connect to be scheduled by the instructor.  *Note:* You should complete the weekly readings and homework prior to this class session so you can ask questions that will help prepare you for success this week. | | 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7 | Live class instruction and discussion = 1hr |
| ***Graded Assignments***  *Complete these graded assessments by the end of the week unless specified otherwise.* | | ***Alignment*** | ***AIE*** |
| **Discussion Question 1: Adjusting Entries in Accrual Accounting**  **Post** a clear and logical response in 150 to 200 words to the following, providing specific examples to support your answers:   * What is the purpose of making adjusting entries? * Do adjusting entries affect income statement accounts, balance sheet accounts, or both? Explain.   *Note*: Initial answers to the questions are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least 3 students in a manner that is thought provoking and that appropriately challenges or elevates the discussion. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 2.3 | Discussion Board = 1hr |
| **Discussion Question 2: Matching and Realization Principles**  **Post** a response in 150 to 200 words to the following questions, providing specific examples to support your answers:   * Company A did not adhere to the matching and realization principles. What would the impact be to the financial statements? * Under what conditions would a company intentionally choose not to adhere to the matching and realization principle? What are some ethical concerns with an organization taking such an action?   *Note*: Initial answers to the question are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least 3 students (class size permitting) as to what you agree or disagree with in their answers. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 2.3 | Discussion Board = 1hr |
| **Discussion Question 3: Concept of Materiality**  **Post** a response in 150 to 200 words to the following questions, providing specific examples to support your responses:   * Briefly explain the concept of materiality. * Is $2,500 a material dollar amount? Explain. * Describe two ways in which the concept of materiality may save accountants time and effort in making adjusting entries.   *Note*: Initial answers to the question are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least 3 students (class size permitting) as to what you agree or disagree with in their answers. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 2.6 | Discussion Board = 1hr |
| **Ch. 3 Problems and Ch. 4 Problem**  **Review** Problems 3.1A, 3.3A, & 3.5A in Problem Set A (pp. 130, 131, & 133 in Ch. 3 of *Financial Accounting*) and Problem 4.4A in Problem Set A (p. 180 in Ch. 4 of *Financial Accounting*).  **Review** the solutions to 3.1A, 3.3A, & 3.5A and completed problem 4.4A.  **Complete** the following problems from Problem Set B (pp. 135 & 137–139 in Ch. 3 of *Financial Accounting*), using the Ch. 3 & 4 Templates, located on Blackboard, as an example. You will need to reformat these templates to match these problems.   * 3.1B (a & b) * 3.3B (a–c) * 3.5B (a–e) * 4.4B (a–c) * Briefly explain what would have happened if the Off-Campus Playhouse did not correctly record the adjusting entries. What might be the financial implications?   **Submit** your answers by 11:59 P.M. (EST) on Sunday. | | 2.1, 2.2, 2.4, 2.5, 2.7 | Problems = 5hr |
| **Week 2 Quiz**  **Complete** the Week 2 quiz by 11:59 P.M. (EST) on Sunday. | |  | Quiz = 1hr |
| **Total** |  |  | **8.5hr** |

# Faculty Notes

**Ch. 3 Problems, 3.5A (e):** It is not uncommon for new small businesses to initially report a net loss from operations. In this particular situation, there were so few revenue and expense transactions in May that it is difficult, if not impossible, to draw any conclusions about the expected performance of the veterinary clinic in the future.

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| Week Three: Reporting Financial Results | |  |  |
| ***Learning Objectives*** | | ***Alignment*** | |
| * 1. Construct an income statement, a statement of retained earnings, and a balance sheet. | | CLO1 | |
| * 1. Use financial statements to evaluate a company’s profitability and liquidity. | | CLO2 | |
| * 1. Prepare the closing entries for a company.   2. Prepare an after-closing trial balance.   3. Determine when disclosures are required in the footnotes of a financial statement | | CLO1  CLO1  CLO1, CLO2, CLO4 | |
| ***Resources, Activities, and Preparation***  *Utilize these resources and complete these activities in preparation for your graded assignments.* | | ***Alignment*** | ***AIE*** |
| **Read** Ch. 5 of *Financial Accounting*.  Feel free to post questions and comments about these resources in the General Questions & Discussion forum. | | 3.1, 3.2, 3.3, 3.4, 3.5 | Discuss course materials = 0.5hr |
| **Adobe Connect Live Class Session**  **Prepare** to review the homework questions and topics for this week in a 1-hour live class session via Adobe Connect to be scheduled by the instructor.  *Note*: You should complete the weekly readings and homework prior to this class session so you can ask questions that will help prepare you for success in the quiz for this week. | | 3.1, 3.2, 3.3, 3.4, 3.5 | Live class instruction and discussion = 1hr |
| **Week 3 Self-Check**  **Complete**the Self-Check based on Ch. 5. This activity is not graded and provides an opportunity to practice before completing this week's for-points assessments. | |  |  |
| ***Supplemental Resources and Activities***  *Explore these optional resources to deepen your understanding.* | | ***Alignment*** | ***AIE*** |
| **Supplemental Resources and Video**  **Watch** the following video about liquidity ratio:   * [Financial Ratio Analysis Tutorial Part 1: Introduction, Liquidity Ratios the Current Ratio](https://www.youtube.com/watch?v=XnL6Gom7N3w)   Feel free to post questions and comments about these resources in the General Questions & Discussion forum. | |  | Discuss course materials = 0.5hr |
| ***Graded Assignments***  *Complete these graded assessments by the end of the week unless specified otherwise.* | | ***Alignment*** | ***AIE*** |
| **Discussion Question 1: Profitability and Liquidity**  **Review** “Pathways Connection” on pp. 210 & 211 of *Financial Accounting.*  **Post** a clear and logical response in 150 to 200 words to the following, providing specific examples to support your answers:   * What methods would you suggest to a company to increase their liquidity and profitability? Consider the factors: net income percent, return on equity for the profitability, and current assets or liabilities for the liquidity. * Explain the significance of measuring a company’s return on equity.   *Note*: Initial answers to the questions are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least 3 students in a manner that is thought provoking and that appropriately challenges or elevates the discussion. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 3.2 | Discussion Board = 1hr |
| **Discussion Question 2: Disclosures**  **Select** one of the following publicly traded companies to review for this discussion:   * Target * Walmart * The Home Depot * Lowe’s * FedEx * UPS * Amazon * Barnes & Noble   **Conduct** an Internet search for the organization’s annual report, which contains its financial statements, for the most recent year.  **Review** the footnotes in the financial statements.  **Post** a response in 150 to 200 words to the following prompts, providing specific examples to support your response:   * Explain why the footnote was necessary or how it would help investors gain insight into the organization’s financials. * Include the page of the annual report containing the footnote. * According to the text, which footnotes are always disclosed? Are they disclosed in the company you researched?   *Note*: Initial responses to the prompt are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least 3 students (class size permitting)as to what you agree or disagree with in their responses. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 3.5 | Discussion Board = 1hr |
| **Ch. 5 Exercises**  **Complete** the following exercises from Exercises (p. 226 in Ch. 5 of *Financial Accounting*):   * 5.4 (a–c) * 5.7 (a & b)   **Submit** your answers by 11:59 P.M. (EST) on Sunday. | | 3.3,3.4 | Problems = 1.5hr |
| **Ch. 5 Problem**  **Review** Problem 5.1A in Problem Set A (p. 230 in Ch. 5 of *Financial Accounting*).  **Review** the solution to problem 5.1A.  **Complete** the following problem from Problem Set B (p. 238 in Ch. 5 of *Financial Accounting*), using the Ch. 5 Template, located on Blackboard, as an example. You will need to reformat the template to match this problem.   * 5.1B (a–c)   **Submit** your answers by 11:59 P.M. (EST) on Sunday. | | 3.1, 3.2 | Problems = 2hr |
| **Ch. 5 Critical Thinking Case**  **Complete** Case 5.1 (a–e) from Critical Thinking Cases (pp. 245 & 246 in Ch. 5 of *Financial Accounting*).  **Submit** your responses by 11:59 P.M. (EST) on Sunday. | | 3.5 | Case Study = 1hr |
| **Total** |  |  | **9.25hr** |

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| Week Four: Measuring Performance of Merchandising Companies; Safeguarding Financial Assets | |  |  |
| ***Learning Objectives*** | | ***Alignment*** | |
| * 1. Prepare and interpret an income statement for a merchandising company. | | CLO1 | |
| * 1. Determine the impact of inventory movement on income statement and balance sheet accounts. | | CLO1, CLO2 | |
| * 1. Calculate and journalize entries for cash discounts.   2. Describe the importance of internal controls over cash and cash management.   3. Prepare a bank reconciliation.   4. Calculate and journalize the entries for uncollectible accounts. | | CLO1  CLO4  CLO1  CLO1 | |
| ***Resources, Activities, and Preparation***  *Utilize these resources and complete these activities in preparation for your graded assignments.* | | ***Alignment*** | ***AIE*** |
| **Read** Ch. 6 & 7 of *Financial Accounting*.  Feel free to post questions and comments about these resources in the General Questions & Discussion forum. | | 4.1, 4.2, 4.3, 4.4, 4.5, 4.6 | Discuss course materials = 0.5hr |
| **Adobe Connect Live Class Session**  **Prepare** to review the homework questions and topics for this week in a 1-hour live class session via Adobe Connect to be scheduled by the instructor.  *Note*: You should complete the weekly readings and homework prior to this class session so you can ask questions that will help prepare you for success in the quiz for this week. | | 4.1, 4.2, 4.3, 4.4, 4.5, 4.6 | Live class instruction and discussion = 1hr |
| **Week 4 Self-Check**  **Complete**the Self-Check based on Ch. 6. This activity is not graded and provides an opportunity to practice before completing this week's for-points assessments. | |  |  |
| ***Supplemental Resources and Activities***  *Explore these optional resources to deepen your understanding.* | | ***Alignment*** | ***AIE*** |
| **Supplemental Resources and Video**  **Watch** the following video about bank reconciliation:   * [How to Prepare a Bank Reconciliation](https://www.youtube.com/watch?v=-UhQ92wzk-w)   Feel free to post questions and comments about these resources in the General Questions & Discussion forum. | | 4.5 | Discuss course materials = 0.5hr |
| ***Graded Assignments***  *Complete these graded assessments by the end of the week unless specified otherwise.* | | ***Alignment*** | ***AIE*** |
| **Discussion Question 1: Manipulating Income**  **Read** Case 6.4 on p. 290 of *Financial Accounting.*  **Post** a clear and logical response in 150 to 200 words to the following, providing specific examples to support your answers:   * Once you get over the shock of being asked to engage in this activity, how will you deal with this situation? What are the implications to you of going along with your supervisor’s plan? If you are not inclined to cooperate, how will you deal with this situation? * Besides being unethical, what other implications does your supervisor’s plan have for your company’s reported performance in future years?   *Note*: Initial answers to the questions are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least 3 students (class size permitting)as to what you agree or disagree with in their answers. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 4.2 | Discussion Board = 1hr |
| **Discussion Question 2: Grandmother’s Secret**  **Read** Exercise 7.3 on p. 326 of *Financial Accounting.*  **Post** a response in 150 to 200 words to the following questions, providing specific details and examples to support your answer:   * What controls must have been lacking at White Electric Supply to enable the bookkeeper to steal nearly $416,000 before being caught? * What the bookkeeper did was definitely unethical, but what if one of her grandchildren had been ill and needed an expensive operation? If this had been the case, would it have been ethical for her to take company funds to pay for the operation if she intended to pay the company back in full? Defend your answer.   **Explain** the fraud that took place and controls that could prevent these situations.  *Note*: Initial responses to the question are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least 3 students (class size permitting)as to what you agree or disagree with in their answers. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 4.4 | Discussion Board = 1hr |
| **Ch. 6 Exercises**  **Complete** the following exercises from Exercises:   * 6.2 (a–e) on p. 277 of *Financial Accounting* * 6.4 (a–c) on p. 278 of *Financial Accounting* * 6.10 (a–c) on p. 279 of *Financial Accounting*   **Submit** your answers by 11:59 P.M. (EST) on Sunday. | | 4.2, 4.3 | Problems = 1.5hr |
| **Ch. 7 Exercise**  **Complete** the following exercise from Exercises (p. 327 in Ch. 7 of *Financial Accounting*):   * 7.8 (a–d)   **Submit** your answers by 11:59 P.M. (EST) on Sunday. | | 4.6 | Problems = 1.5hr |
| **Ch. 6 Problem and Ch. 7 Problem**  **Review** Problem 6.1A in Problem Set A (p. 280 in Ch. 6 of *Financial Accounting)* and Problem 7.1A in Problem Set A (p. 330 in Ch. 7 of *Financial Accounting*).  **Review** the solution to problem 6.1A and the solution to problem 7.1A  **Complete** the following problems using the Ch. 6 & 7 Templates, located on Blackboard, as an example. You will need to reformat the templates to match these problems.   * 6.1B (a–c) (p. 285 in Ch. 6 of *Financial Accounting*) * 7.1B (a–c) (p. 336 in Ch. 7 of *Financial Accounting*)   **Submit** your answers by 11:59 P.M. (EST) on Sunday. | | 4.1, 4.5 | Problems = 3hr |
| **Week 4 Quiz**  **Complete** the Week 4 Quiz by 11:59 P.M. (EST) on Sunday. | |  | Quiz = 1hr |
| **Total** |  |  | **10.25hr** |

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| Week Five: Inventory Systems | |  |  |
| ***Learning Objectives*** | | ***Alignment*** | |
| * 1. Calculate the cost of goods sold using different inventory methods. | | CLO1 | |
| * 1. Record the year-end adjustments to inventory. | | CLO1 | |
| * 1. Explain the effect of inventory valuation on the income statement.   2. Evaluate the inventory turnover ratio. | | CLO1, CLO2  CLO1, CLO2 | |
| ***Resources, Activities, and Preparation***  *Utilize these resources and complete these activities in preparation for your graded assignments.* | | ***Alignment*** | ***AIE*** |
| **Read** Ch. 8 of *Financial Accounting*.  Feel free to post questions and comments about these resources in the General Questions & Discussion forum. | | 5.1, 5.2, 5.3, 5.4 | Discuss course materials = 0.5hr |
| **Adobe Connect Live Class Session**  **Prepare** to review the homework questions and topics for this week in a 1-hour live class session via Adobe Connect to be scheduled by the instructor.  *Note*: You should complete the weekly readings and homework prior to this class session so you can ask questions that will help prepare you for success in the quiz for this week. | | 5.1, 5.2, 5.3, 5.4 | Live class instruction and discussion = 1hr |
| ***Supplemental Resources and Activities***  *Explore these optional resources to deepen your understanding.* | | ***Alignment*** | ***AIE*** |
| **Supplemental Resources and Video**  **Watch** the following video about inventory LIFO vs FIFO:   * [LIFO and FIFO Inventory Accounting (Perpetual Inventory Vs Periodic Inventory Method)](https://www.youtube.com/watch?v=3qDbG1j1_M0)   Feel free to post questions and comments about these resources in the General Questions & Discussion forum. | |  | Discuss course materials = 0.5hr |
| ***Graded Assignments***  *Complete these graded assessments by the end of the week unless specified otherwise.* | | ***Alignment*** | ***AIE*** |
| **Discussion Question 1: Inventory Valuation**  **Review** pp. 361–364 of *Financial Accounting*.  **Post** a response in 150 to 200 words to the following question, providing specific examples to support your answer:     * How can you explain the effects of inventory valuation on multiple years’ financial statements? * What controls would you suggest to eliminate these errors? * Explain why errors in the valuation of inventory at the end of the year are sometimes called “counterbalancing” or “self-correcting.” * Of the cost flow assumptions (Average Cost, FIFO, and LIFO), which is not recognized by the international community? Why?   *Note*: Initial responses to the question are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least 3 students (class size permitting) as to what you agree or disagree with in their answers. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 5.3 | Discussion Board = 1hr |
| **Discussion Question 2: Dealing with the Bank**  **Read** Case 8.3 on p. 385 of *Financial Accounting.*  **Post** a response in 150 to 200 words to the following questions, providing specific details and examples to support your answer:   * Given that the Millinium Frozen Foods management expects at least partial reimbursement from the insurance company, is it really unethical for management to postpone recording the inventory loss in the financial statements it submits to the bank? * Is it possible to increase the Millinium Frozen Foods current ratio from 0.8 to 1 to 1.2 to 1 by purchasing more inventory on account? Explain. * What approach do you think Millinium Frozen Foods management should follow in dealing with the bank?   *Note*: Initial responses to the question are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least 3 students (class size permitting) as to what you agree or disagree with in their answers. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 5.4 | Discussion Board = 1hr |
| **Ch. 8 Problems**  **Review** Problem 8.1A & 8.3A in Problem Set A (p. 376 in Ch. 8 of *Financial Accounting*).  **Review** the solutions to problems 8.1A & 8.3A.  **Complete** the following problem from Problem Set B (pp. 380–382 in Ch. 8 of *Financial Accounting*), using the Ch. 8 Template, located on Blackboard, as an example. You will need to reformat the template to match these problems.   * 8.1B (a–c) * 8.3B (a & b)   **Submit** your answers by 11:59 P.M. (EST) on Sunday. | | 5.1, 5.2 | Problems = 4hr |
| **Review of Financial Statements**  **Select** a publicly traded organization. It cannot be the organization you work for.  **Visit** to the organization’s website to locate its financial statements.  **Write** a 2-page paper in which you answer the questions that follow. Refer to the financial document indicated in each section.   * Statement of cash flows    + What is the organization’s total cash at year-end?   + What is the amount from operating activities?   + What are primary sources or uses from financing activities? * Balance sheets    + What is the largest asset category?   + What is the largest liability category? * Income statement    + How much is the total revenue or sales?   + What is the largest expense? * Review three of the notes accompanying the financial statements.     + Why are the accompanying notes important to investors?   + Did the accompanying notes help with your understanding?   **Support** your paper with at least 1 reputable resource.  **Provide** snapshots of the financial statements as an appendix to your paper. (Screenshots are acceptable; the whole annual report is not necessary.)  **Format** your paper according to APA guidelines, and **provide** a reference page for all resources used.  **Submit** your paper by 11:59 p.m. (Eastern Time) on Sunday. | | 1.2 | Research = 1hr |
| **Week 5 Quiz**  **Complete** the Week 5 Quiz by 11:59 P.M. (EST) on Sunday. | | 5.1, 5.2, 5.3, 5.4 | Quiz = 1hr |
| **Total** |  |  | **8.75hr** |

# Faculty Notes

# Ch. 8 Problem, 8.1A (a): Students may point out that ending inventory computed under LIFO is the same figure as the cost of goods sold computed under FIFO. Likewise, the cost of goods sold figure computed under LIFO is the same as the ending inventory figure computed under FIFO. The fact that these numbers are the same is merely a coincidence.

# Breakdown of Academic Instructional Equivalencies

|  |  |
| --- | --- |
|  | **AIE Hours** |
| **Week 1** |  |
| Required | 8.75 |
| Supplemental | 0.5 |
| **Week 2** |  |
| Required | 8.5 |
| Supplemental |  |
| **Week 3** |  |
| Required | 9 |
| Supplemental | 0.25 |
| **Week 4** |  |
| Required | 10 |
| Supplemental | 0.25 |
| **Week 5** |  |
| Required | 8.5 |
| Supplemental | 0.25 |
|  |  |
| **Total Required Hours** | 44.75 |
| **Total Supplemental Hours** | 1.25 |
| **Total Hours** | 46 |