# Course Description

This course develops the skills needed to analyze financial statements and disclosures for use in financial analysis. Topics covered include debit and credit processing, how accounting standards and managerial incentives affect the financial reporting process, and the impact of regulatory changes on accounting.

# 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**: Students will effectively research and communicate in writing (in APA format) ideas and arguments associated with business leadership and management issues. (ULO 1, 3, 4)
* **PLO2**: Students will apply knowledge and skills to develop a comprehensive business plan which demonstrates competency in the following areas: management, operations, finance, and marketing. (ULO 2, 4)
* **PLO3**: Apply critical thinking to real life work problems through the application of theoretical and experiential knowledge. (ULO 1, 2, 4)
* **PLO4**: Students will identify issues and strategies related to ethics and corporate social responsibility and its implications for business. (ULO 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.

# Student Expectations

Students are expected to:

* 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.

# Recommended Books

**Note**: This course does not have any required textbooks however there is a list of recommended books for further exploration into accounting. This document is available in Blackboard within the **Start Here** section.

# Suggested Point Values

|  |  |  |
| --- | --- | --- |
| **Assessment** | **Point Value** | **Due** |
| **Module 1** |  |  |
| Part 1: Journal Entries | 200 |  |
| Part 2: Posting to Ledger and Trial Balance | 250 |  |
| Part 3: Discussion on Depreciation, Accrual, & Deferral Report   * Depreciation Report *(50pts)* * Accrual & Deferral Report *(50pts)* | 100 |  |
| **Module 2** |  |  |
| Financial Statements |  | |
| Part 1: Self-Test and Financial Statement List | 50 |  |
| Part 2: Financial Statements – Continued   * Income Statement (*50pts*) * Balance Sheet (*50pts*) * Equity Statement (*50pts*) * Statement of Cash Flow (*50pts*) | 200 |  |
| **Module 3** |  |  |
| Statement of Cash Flow | 50 |  |
| Financial Regulatory System | 50 |  |
| Ratio Analysis | 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

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

# Weekly Learning Modules

|  |  |  |  |
| --- | --- | --- | --- |
| **Module One: Financial Accounting Basics and the Accounting Cycle** | | | |
| ***Learning Objectives*** | | ***Alignment*** | |
| * 1. Differentiate the accounting cycle from the operating cycle. | | CO3 | |
| * 1. Explain the steps of the accounting cycle. | | CO1 | |
| * 1. Prepare basic journal entries, ledger postings, and a trial balance. | | CO1 | |
| * 1. Explain the use and importance of accruals, deferrals, and depreciation. | | CO1 | |
| ***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.  *Note*. The Smart Thinking Online Tutor Service is highly recommended if you encounter difficulties in accounting principles or formulas. You can access the [Smart Thinking tutorial](https://sites.gmercyu.edu/student-resources/student-support-services/) by selecting the **Student Support Services** tab from the **Student Resources** page. | | N/A | N/A |
| **Lecture Notes and Articles**  Lecture Notes  The two files below contain the lecture notes for this week’s topics and should help you to better understand accounting vocabulary, its concepts and principles, and the accounting cycle and all its components.  **Read** the lecture notes and take the time to click on **all** of the links to further your knowledge and understanding of accounting.   * Lecture Notes I * Lecture Notes II   Articles  **Read** the following articles:   * "Journal Entries": <http://accountingexplained.com/financial/cycle/journal-entries> * "Accounting Cycle vs. Operating Cycle": <http://smallbusiness.chron.com/accounting-cycle-vs-operating-cycle-10111.html> * "Accruals and Deferrals": <https://www.wyzant.com/resources/lessons/accounting/accruals-deferrals> * "Double Entry Bookkeeping": <http://www.double-entry-bookkeeping.com/depreciation/depreciation-of-fixed-assets/>   Feel free to **post** questions/comments to the General Questions & Discussionforum. | | 1.1, 1.2, 1.3, 1.4 | Lecture Activity = **.5 hour** |
| **Library Resources**  **Review** the following sources offered by the Keiss Library:   * "Subject Guide: Business": <http://gmercyu.libguides.com/c.php?g=315430&p=2107166> * "Definition of accounting terms" * Click **Campbell R. Harvey's Hypertextual Finance Glossary** on the right side, under **Look it Up!** * Scroll down, and click **Khan Academy** in the middle column, under **Business Videos and Podcasts**.   + - Review the videos there that are specific to this week’s learning.   *Note.* Locate items for which you may require more assistance and feel free to **post** questions/comments to the General Questions & Discussionforum. | | COURSE | Lecture Activity = **.5 hour** |
| **Introduction**  Take the time to introduce yourself.  **Post** a statement about yourself that could include your major, progress in the program, career goals, your locations, hobbies or special interests, etc. | | N/A | N/A |
| ***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 class 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. | | VARIES |  |
| **CPA Class Website**  **Review** the U.S. GAAP website (<http://cpaclass.com/gaap/gaap-us-01a.htm>) for an outline of descriptions on accounting content. | | 1.1, 1.2, 1.3, 1.4 |  |
| ***Graded Assignments***  *Complete these graded assessments by the end of the week unless specified otherwise.* | | ***Alignment*** | ***AIE*** |
| **Part 1: Journal Entries**  Adele Applegate is an architect who operates her own business. She has hired you to help her organize her journal entries.  **Journalize** the transactions below in the journal provided in the attached file.  *Note.* Transaction (A.) has been entered as an example.  *January 2017 Transactions*  January 1 Adele Applegate invested $30,000 in cash to start the business.  2 Adele paid $2,000 for advertisements in a design magazine.  3 Adele purchased office furniture for $4,000 in cash.  4 Adele performed services for $4,200 in cash.  5 Adele paid $375 for the monthly telephone bill.  6 Adele performed services for $2,610 on credit.  7 Adele purchased a fax machine for $575 and paid $175 in cash with the balance due in 30 days.  8 Adele paid a bill for $650 from the office cleaning service.  9 Adele received $2,610 from clients on account.  10 Adele purchased additional office chairs for $1,080 and received credit terms of 30 days.  11 Adele paid $4,000 for salaries.  12 Adele issued a check for $540 in partial payment of the amount owed for office chairs.  13 Adele received $2,800 in cash for services performed.  14 Adele issued a check for $560 for utilities expenses.  15 Adele performed services for $4,200 on credit.  16 Adele collected $1,200 from clients on account.  17 Adele withdrew $3,500 in cash for personal expenses.  18 Adele paid $600 to Vision’s Photocopy Service for photocopy work performed during the month.  **Submit** your completed journal entries by **Tuesday evening, 11:30 p.m**. | | 1.1, 1.2, 1.3 | Journal  Entries = **1 hour** |
| **Part 2: Posting to Ledger and Trial Balance**  Based on the correct journal entries, you are to complete the second step of the cycle: posting to the ledger. After posting all the journal entries, run the trial balance.  **Use** the Adele Applegate T-Accounts Microsoft® Excel template to record each transaction.  **Place** the transaction in the appropriate debit or credit column. Identify each entry in the T-Account by writing the date of the transaction next to the entry.  *Note.* Transaction (A.) has been entered as an example.  **Submit** your completed journal entries and trial balance by **Sunday evening, 11:30 p.m**. | | 1.3 | Posting to Ledger and Trial Balance = **1 hour** |
| **Part 3: Discussion on Depreciation, Accrual, & Deferral Report**  After reading the lecture notes and this week’s assignment, consider first how depreciation affects a company’s finances.  **Post** an answer tothe following in 150 to 200 words, providing specific points to support your answers.   * As Adele Applegate's business grows over time, what impact would you expect depreciation to have on the assets' values?   For further clarity, review the two IRS websites listed below. The first one provides a brief overview of depreciation. The second one is Publication 946 explaining how to depreciate property.   * "Brief Overview of Depreciation": <https://www.irs.gov/businesses/small-businesses-self-employed/a-brief-overview-of-depreciation> * "How to Depreciate": <https://www.irs.gov/publications/p946/ch01.html>   **Post** a second response explainingthe difference between an accrual and a deferral and give an example of each type of transaction.  *Note*. Initial answers to the questions are due by 11:59 p.m. (Eastern time) on Thursday.  **Respond** to at least twostudents in a manner that is thought provoking and appropriately challenges or elevates the discussion. All responses must be posted by 11:59 p.m. (Eastern time) on Sunday. | | 1.3, 1.4 | Discussion Post = **2 hours** |
| **Total** |  |  | **5 hours** |

# Faculty Notes

**Part 1 Journal Entries:** Part I of the assignment needs to be corrected and returned to the students by **Thursday morning** so that they can complete Part 2 of the assignment timely.

**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.

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| Module Two: Introduction to Financial Statements | |  |  |
| ***Learning Objectives*** | | ***Alignment*** | |
| * 1. Analyze the purpose, structure, and importance of the four primary financial statements. | | CO1, 2 | |
| * 1. Prepare an income statement, balance sheet, equity statement, and a statement of cash flows. | | CO1, 2 | |
| * 1. Explain the financial statements between companies and between a company and its industry. | | CO1, 2 | |
| ***Resources, Activities, and Preparation***  *Utilize these resources and complete these activities in preparation for your graded assignments.* | | ***Alignment*** | ***AIE*** |
| **Readings and Presentations**  **Read** the following articles and resources regarding financial statements:   * "Accounting Basics: History of Accounting": <http://www.investopedia.com/university/accounting/accounting1.asp> * Read all seven sections within the article reading * Accounting Glossary document * Chart of Accounts document * Common Financial Ratios document * Financial Statements PowerPoint presentation   Feel free to **post** questions/comments to the General Questions & Discussionforum. | | 2.1, 2.2 | Lecture Activity = **.5 hour** |
| **Videos**  **Watch** the following videos for an introduction on accounting and financial statements:   * "The Four Core Financial Statement" [5:45 mins.]: <https://www.youtube.com/watch?v=7BAcIA5qpEM> * "Accounting Ratios Compare Two Companies" [9:17 mins.]: <https://www.youtube.com/watch?v=kzvnDDfxJS0>   Feel free to **post** questions/comments to the General Questions & Discussionforum. | | 2.1, 2.2, 2.3 | Lecture Activity = **.5 hour** |
| **Library Resources**  **Review** the following sources offered by the Keiss Library:   * "Subject Guide: Business": <http://gmercyu.libguides.com/c.php?g=315430&p=2107166> * "Definition of accounting terms" * Click **Campbell R. Harvey's Hypertextual Finance Glossary** on the right side, under **Look it Up!** * Scroll down, and click **Khan Academy** in the middle column, under **Business Videos and Podcasts**.   + - Review the videos there that are specific to a week’s learning.   *Note.* Locate items for which you may require more assistance and feel free to **post** questions/comments to the General Questions & Discussionforum. | | COURSE |  |
| ***Graded Assignments***  *Complete these graded assessments by the end of the week unless specified otherwise.* | | ***Alignment*** | ***AIE*** |
| **Part 1: Self-Test and Financial Statement List**  **Review** the "Introduction to Financial Statements" (<http://www.learnfinancialaccounting.com/freematerial/intro/index.html>). It provides a detailed overview of all the steps in the accounting cycle.  After reading the intro, **take** the self-test to check your knowledge. If you have the time, you are encouraged to complete all the practice tests.  **Write** a 100- to 150-word summary of your thoughts on the self-test. Did you recognize areas needing improvement? Areas you were familiar with? Do you think the Smart Thinking tutorial  Once you have had time to perform the self-test, **complete** the Financial Statement List.  **Complete** and **submit** the self-test summary and the Financial Statement List to your assignment folder by no later than Wednesday, 11:30 p.m. | | 2.1, 2.2 | Problem Solving = **2 hours** |
| **Part 2: Financial Statements – Continued**  The following link’s focus is on the statement of stockholders’ equity. After reading the information, listen to the video, which gives an excellent explanation of the statement: <http://www.principlesofaccounting.com/chapter-14/stockholders-equity/>  **Prepare** the financials for a fictional company called JAN Corporation. For each statement, **include** comments on the results of the operations:   * Income Statement * Stockholders Equity Statement * Balance Sheet * Statement of Cash Flows   **Complete** and submit the Financial Statements in your assignment folder by Sunday evening, 11:30 p.m. | | 2.1, 2.2 | Problem Solving = **2 hours** |
| **Total** |  |  | **5 hours** |

# Faculty Notes

This week’s focus is to get students used to preparing and looking at financial statements and understanding the connection between all four financial statements.

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| Module Three: Statement of Cash Flows, Ratio Analysis and Ethics | |  |  |
| ***Learning Objectives*** | | ***Alignment*** | |
| * 1. Demonstrate your understanding of the statement of cash flows using the direct and indirect methods. | | CO1, 2 | |
| * 1. Calculate financial ratios in order to compare and contrast results for two companies in the same industry. | | CO2 | |
| * 1. Relate the ACIPA Code of Professional Conduct to ethical concerns in accounting. | | CO3 | |
| ***Resources, Activities, and Preparation***  *Utilize these resources and complete these activities in preparation for your graded assignments.* | | ***Alignment*** | ***AIE*** |
| **Lecture Notes and PowerPoint Presentation**  Lecture Notes  The two files below contain the lecture notes for this week’s topics and should help you to better understand the cash flow statements and ethics in accounting.   * Lecture Notes: Cash Flow * Lecture Notes: Ethics   PowerPoint Presentation  Also attached this week is the PowerPoint presentation on the Accounting Code and Rules of Engagement.  **Read** the lecture notes and take the time to view the PowerPoint presentation.  Feel free to **post** questions/comments to the General Questions & Discussionforum. | | 3.1, 3.2, 3.3 | Lecture Activity = **.25 hour** |
| **Videos**  **Statement of Cash Flows** **Videos**   * "Statement of Cash Flows" [4:34 mins.]: <https://www.youtube.com/watch?v=2bwgE88u700> * "Cash Flow Statement – Beginners Guide" [9:19 mins.]: <https://www.youtube.com/watch?v=oPGgKclWg3M> * "What is a Cash Flow Statement" [18:35 mins.]: <https://www.youtube.com/watch?v=35ucnSHf2m4>   Feel free to **post** questions/comments to the General Questions & Discussionforum. | | 3.1, 3.2 | Lecture Activity = **.25 hour** |
| **Ethics Video**  **Watch** the video on how Bernard Madoff operated a global Ponzi scheme:   * "Bernie Madoff -  Scamming of America (FULL) Documentary" [44:57 mins.]: <https://www.youtube.com/watch?v=AO4CIPuaTJ4> | | 3.3 | Lecture Activity = **.5 hour** |
| **Library Resources**  **Review** the following sources offered by the Keiss Library:   * "Subject Guide: Business": <http://gmercyu.libguides.com/c.php?g=315430&p=2107166> * "Definition of accounting terms" * Click **Campbell R. Harvey's Hypertextual Finance Glossary** on the right side, under **Look it Up!** * Scroll down, and click **Khan Academy** in the middle column, under **Business Videos and Podcasts**.   + - Review the videos there that are specific to a week’s learning.   *Note.* Locate items for which you may require more assistance and feel free to **post** questions/comments to the General Questions & Discussionforum. | | COURSE |  |
| ***Graded Assignments***  *Complete these graded assessments by the end of the week unless specified otherwise.* | | ***Alignment*** | ***AIE*** |
| **Statement of Cash Flows**  *Note.* This assignment, requires a worksheet and a brief report.  **Complete** the Statement of Cash Flows worksheet. **Include** an essay on your understanding of the differences between the direct and indirect method of preparing a cash flow statement and indicate the preferred method according to the U.S. GAAP. Your essay report should be double spaced using 12-point font.  **Submit** your worksheet and essay in your assignment folder. | | 3.1 | Problem Solving = **1 hour** |
| **Financial Regulatory System**  **Watch** the video *In Bed with Wall Street: The Conspiracy Crippling the Global Economy* [62 mins.]: <https://www.loc.gov/today/cyberlc/feature_wdesc.php?rec=6482>  **Write** a short analysis (consisting of your opinion) based on the video. The paper should be an essay of **no more** than 3 pages.  **Include** the following in your analysis:   * What is meant by the title, and where did Larry Doyle get this inspiration? * Do you believe areas of the accounting and financial sectors can be self-regulating? Why or why not? * What is the impact of conflicts of interest on regulators protecting the public? Explain your response.   **Submit** your completed analysis in your assignment folder. You must also **post** your analysis to the Discussion: Financial Regulatory Systems Reports forum. | | 3.3 | Analysis Paper = **1 hour** |
| **Discussion: Financial Regulatory Systems Reports**  After you have submitted the Financial Regulatory System assignment, **post** your analysis to provide an opportunity for everyone to view the reports. | | 3.3 |  |
| **Ratio Analysis**  **Review** the article "Financial Ratios" at <http://www.accountingcoach.com/financial-ratios/explanation>. Scroll down to read the article and then click **Next** to the following pages.  **Choose** two publicly traded companies in the same industry. Select companies that you are interested in learning more about or possibly ones that you may be interested in working for in the future.  **Research** the ratios for both companies using Yahoo Finance (<http://finance.yahoo.com/>) or using the company’s website or the SEC (<https://www.sec.gov/>).  If you are using Yahoo Finance, search and choose a company. Click on **Key Statistics** on the left column under **Company**. This provides a general overview of the company’s financial standing. Clickon **SEC Filings** in the left column under **Company** to access recent filings.  **View** the most recent 10-K or 10-Q financial statements of the two chosen firms. If the chosen company does not provide these statements on the Yahoo Finance site, research that company’s website for recent financial statements.  **Complete** the following analysis including the ratios below and your report on the two companies:  **Review** and compare the following ratios for both companies:   * Working capital * Current ratio * Debt ratio * Net Profit Margin   **Include** a write up of your analysis and compare and contrast results.  **Listen** toor **read** the most recent **earnings call** for both companies and report your findings to include, but not limited to, results and projections.  **Submit** your completed ratio analysis. | | 3.2, 3.3 | Analysis Paper = 1 **hour** |
| **Total** |  |  | **4 hours** |

# Faculty Notes

The focus for this week is on areas that create cash flow within the firm and on becoming familiar with the related vocabulary. The ethical piece begins to expose the students to ethical issues that have led to regulations in the past 20 years. The ratio analysis is a brief exercise to get them thinking about the things that will be covered in their later courses within their MBA program. Encourage students to select companies that they are interested in learning more about.

# Breakdown of Academic Instructional Equivalencies

|  |  |
| --- | --- |
|  | **AIE Hours** |
| **Module 1** |  |
| Required | 5 |
| Supplemental |  |
| **Module 2** |  |
| Required | 5 |
| Supplemental |  |
| **Module 3** |  |
| Required | 4 |
| Supplemental |  |
|  |  |
| **Total Required Hours** | 14 |
| **Total Supplemental Hours** |  |
| **Total Hours** | 14 |