

Las Positas College
3000 Campus Hill Drive
Livermore, CA 94551-7650
(925) 424-1000
(925) 443-0742 (Fax)

Course Outline for BUSN 1A
PRINCIPLES OF ACCOUNTING I
Effective: Fall 2006

I. CATALOG DESCRIPTION:

BUSN 1A — PRINCIPLES OF ACCOUNTING I — 4.00 units

Basic theory and structure of accounting; accounting cycles and preparation of accounting statements for service and merchandising operations; receivables, inventory. Plant assets, current liabilities, payroll, accounting principles, concepts, and partnerships.

4.00 Units Lecture

Grading Methods:

Discipline:

	MIN
Lecture Hours:	72.00
No Unit Value Lab	18.00
Total Hours:	90.00

II. NUMBER OF TIMES COURSE MAY BE TAKEN FOR CREDIT: 1

III. PREREQUISITE AND/OR ADVISORY SKILLS:

IV. MEASURABLE OBJECTIVES:

Upon completion of this course, the student should be able to:

- A. Describe the Accounting and Business Environment;
- B. Record business transactions;
- C. Apply the adjusting process;
- D. Complete the accounting cycle;
- E. Identify and demonstrate a understanding of merchandising operation;
- F. Compute merchandise inventory;
- G. Identify and demonstrate a understanding of accounting information systems;
- H. Identify and demonstrate a comprehension of a business' internal control and cash;
- I. Account for receivables;
- J. Identify and measure plant assets and intangibles;
- K. Record current liabilities and payroll;
- L. Identify and demonstrate a knowledge of the benefits and accounting of partnerships.

V. CONTENT:

- A. Accounting and the Business Environment
 - 1. Use accounting vocabulary
 - 2. Apply accounting concepts and principles
 - 3. Use the accounting equation
 - 4. Analyze business transactions
 - 5. Prepare financial statements
 - 6. Evaluate business performance
- B. Recording business transaction
 - 1. Use accounting terms
 - 2. Apply accounting concepts and principles
 - 3. Record transactions in the journal
 - 4. Post from the journal to the ledger
 - 5. Prepare and use a trial balance
 - 6. Analyze transactions without a journal
- C. Adjusting process
 - 1. Distinguish accrual accounting from cash-basis accounting
 - 2. Apply the revenue and matching principles
 - 3. Make adjusting entries
 - 4. Prepare an adjusted trial balance
 - 5. Prepare the financial statements from the adjusted trial balance
- D. Completing the accounting cycle
 - 1. Prepare an accounting worksheet
 - 2. Use the work sheet to complete the accounting cycle

3. Close the revenue, expense, and withdrawal accounts
4. Classify assets and liabilities as current or long term
5. Use the current ratio and debt ratio to evaluate a company
- E. Merchandising Operations
 1. Account for the purchase of inventory
 2. Account for the sale of inventory
 3. Use sales and gross profit to evaluate a company
 4. Adjust and close the accounts of a merchandise business
 5. Prepare a merchandiser's financial statements;
 6. Use gross profit percentage and inventory turnover to evaluate business
- F. Merchandise Inventory
 1. Compute perpetual inventory amounts under FIFO, LIFO and average cost
 2. Record perpetual inventory transactions
 3. Compute the effects of FIFO, LIFO, and average costs
 4. Compute periodic inventory amounts under FIFO, LIFO and average cost
 5. Apply the lower-of-cost-or-market rule to inventory
 6. Measure the effects of inventory errors
 7. Estimate ending inventory by the gross profit method
- G. Accounting Information Systems
 1. Describe an effective accounting information system
 2. Understand both computerized and manual accounting systems
 3. Understand how spreadsheets are used in accounting
 4. Use the sales journal, the cash receipts journal, and the accounts receivable ledger
- H. Internal control and Cash
 1. Define internal control
 2. Tell how to achieve good internal control
 3. Prepare a bank reconciliation and the related journal entries
 4. Apply internal controls to cash receipts
 5. Apply internal control to cash payments
 6. Make ethical business judgments
- I. Receivables
 1. Design internal controls for receivables
 2. Use the allowance method to account for uncollectibles by the percent-of-sales and aging-of-accounts methods
 3. Use the direct write-off method to account for uncollectibles
 4. Account for notes receivables
 5. Report receivables on the balance sheet
 6. Use the acid-test ratio and days' sales in receivables to evaluate a company
- J. Plant Assets and Intangibles
 1. Measure the cost of a plant asset
 2. Account for depreciation
 3. Select the best depreciation method for tax purposes
 4. Account for the disposal of a plant asset
 5. Account for natural resources
 6. Account for intangible assets
- K. Current Liabilities and Payroll
 1. Account for current liabilities of known amount
 2. Account for current liabilities that must be estimated
 3. Compute payroll amounts
 4. Record basic payroll transactions
 5. Use a payroll
 6. Report current liabilities on the balance sheet
- L. Partnerships
 1. Identify the characteristics of a partnership
 2. Account for the partner's investment in a partnership
 3. Allocate profits and losses to the partners
 4. Account for the admission of a new partner
 5. Account for a partner's withdrawal from the firm
 6. Account for the liquidation of a partnership
 7. Prepare partnership financial statements.

VI. METHODS OF INSTRUCTION:

- A. Lecture and demonstration of accounting principles
- B. PowerPoint and compute-images when appropriate
- C. Discussion of student questions

VII. TYPICAL ASSIGNMENTS:

A. Homework-completing exercises and problems 1. Show corrected income statements for 3 years 2. Determine the due date and maturity value of each note 3. Chapter 2 problems 1, 3, 4, and 5 B. Class exercises 1. Compute Intel's net sales revenue 2. How much income did Sprint earn for the year? C. Comprehensive Problems 1. Enter the trial balance on an accounting work sheet, and complete the work sheet for the month ended January 31st for the current year 2. Prepare the company's multi-step income statement and statement of owner's equity for the month ended January 31st of the current year.

VIII. EVALUATION:

A. **Methods**

1. Exams/Tests
2. Quizzes
3. Class Participation
4. Home Work
5. Other:
 - a. Methods:
 1. Tests
 2. Quizzes
 3. Homework
 4. Class and participation

B. **Frequency**

1. Frequency:

- a. At least 2 tests and a final
 - b. 4 to 8 quizzes a semester
 - c. Twice a week
 - d. Every class meeting
- 2. Typical Questions:
 - a. Prepare the necessary journal entry to record the stock dividend
 - b. Prepare a schedule of cost of goods Sold for ABC Company

IX. TYPICAL TEXTS:

- 1. Horngren, Harrison and Bamber *Accounting*. 6th ed., Pearson Prentice Hall, 2005.
- 2. Kimmel, Weygardt, and Kieso *Principles of Accounting: Tools for Business Decision Making.*, Wiley Higher Education, 2005.

X. OTHER MATERIALS REQUIRED OF STUDENTS:

- A. An inexpensive calculator is suggested.