

# Accounting I

## Course Text

Wild, John J., and Ken Shaw. *Fundamental Accounting Principles*, 24th edition. McGraw-Hill/Irwin, 2019. ISBN 9781259916960

## Course Description

This course focuses on ways in which accounting principles are used in business operations. Students learn to identify and use Generally Accepted Accounting Principles (GAAP), ledgers and journals throughout the steps of the accounting cycle. This course introduces bank reconciliation methods, balance sheets, assets, and liabilities. Students also learn about financial statements including assets, liabilities, and equity. Business ethics are also discussed.

## Course Objectives

After completing this course, students will be able to:

- Identify and apply Generally Accepted Accounting Principles (GAAP).
- Apply the steps of the accounting cycle.
- Post and analyze transactions using ledgers and journals.
- Record adjusting entries for prepaid expenses and unearned revenue.
- Complete an adjusted trial balance.
- Perform a bank reconciliation.
- Explain the purpose of the sales journal and the Accounts Receivable ledger and post entries to both.
- Record the costs associated with the acquisition of property, plant, and equipment.
- Explain the purpose of and prepare entries for the purchase order journal and accounts payable (A/P) ledger.
- Identify the fundamental principles of an accounting information system.

## Course Prerequisites

There are no prerequisites to take Accounting I.

## Important Terms

In this course, different terms are used to designate tasks:

- **Proctoring:** all final exams require proctoring which can be completed conveniently from your home. A webcam is required.
- **Tutoring:** memberships include online tutoring for students to access with any content/subject related questions in the place of faculty. If your tutor is not able to answer your questions please contact a student advisor.

## Academic Integrity Statement

Academic integrity is the pursuit of scholarly activity in an honest, truthful and responsible manner. Violations of academic integrity include, but are not limited to, plagiarism, cheating, fabrication and academic misconduct. Failure to comply with the Academic Integrity Policy can result in a failure and/or zero on the attempted assignment/examination, a removal from the course, disqualification to enroll in future courses, and/or revocation of an academic transcript.

## Course Completion Policy

In order for a course to be considered complete, all required coursework must be attempted, submitted, and graded. Required coursework consists of graded assignments. Any Academic Integrity Policy violations may prevent a course from being considered complete.

## Course Evaluation Criteria

Your score provides a percentage score and letter grade for each course. A passing percentage is **70%** or higher.

There are a total of 1000 points in the course:

| Topic | Assessment    | Points |
|-------|---------------|--------|
| 4     | Graded Exam 1 | 125    |
| 7     | Graded Exam 2 | 125    |
| 7     | Midterm Exam  | 200    |
| 10    | Graded Exam 3 | 125    |
| 14    | Graded Exam 4 | 125    |
| 15    | Final Exam    | 300    |
| Total |               | 1000   |

## Course Topics and Objectives

| Topics | Topic                         | Subtopics  | Objectives  |
|--------|-------------------------------|--|---|
| 1      | Accounting for Business Today | <ul style="list-style-type: none"> <li>• The Purpose and Use of Financial Information</li> <li>• Generally Accepted Accounting Principles (GAAP)</li> <li>• Business Ethics</li> </ul> | <ul style="list-style-type: none"> <li>• Describe the users of accounting information, their informational needs, and the people responsible for providing this information.</li> </ul> |

| Topics | Topic                                 | Subtopics  | Objectives   |
|--------|---------------------------------------|--|--|
|        |                                       | <ul style="list-style-type: none"> <li>Careers in Accounting</li> </ul>  | <ul style="list-style-type: none"> <li>Explain why ethics and personal integrity are important issues in the practice of accounting.</li> <li>Review the importance of GAAP in relation to various standard bodies, including the SEC, FASB, and IASB.</li> </ul>  |
| 2      | Recording Business Information        | <ul style="list-style-type: none"> <li>The Accounting Cycle</li> <li>Transactions</li> <li>Journalizing the Transactions</li> <li>Posting to the Ledger</li> <li>The End of the Accounting Period</li> <li>The Unadjusted Trial Balance</li> <li>Adjusting Entries</li> <li>The Adjusted Trial Balance</li> <li>Financial Statements</li> <li>Closing Journal Entries</li> <li>Post-Closing Trial Balance</li> <li>Overview of the Accounting Cycle</li> </ul> | <ul style="list-style-type: none"> <li>List the steps in the accounting cycle.</li> <li>Describe the various source documents required for processing an accounting transaction.</li> <li>Explain the processes of journalizing and posting.</li> <li>Outline the process of balancing and its importance.</li> <li>List the different stages of a trial balance.</li> <li>Outline the process of entering adjustment entries to journals.</li> <li>Identify different financial statements that can be completed at the end of an accounting cycle.</li> <li>Describe the process of closing accounts and explain why it is important.</li> </ul> |
| 3      | Financial Statements                  | <ul style="list-style-type: none"> <li>Fundamental Accounting Equation</li> <li>Income Statements</li> <li>Statement of Owner's Equity</li> <li>Balance Sheet</li> <li>Financial Statements</li> </ul>   | <ul style="list-style-type: none"> <li>Define assets, liabilities, and equity.</li> <li>State the fundamental accounting equation.</li> <li>Explain the elements of an income statement, and explain its purposes and uses.</li> <li>Define the elements of a statement of owner's equity (SOE,) and explain its purposes and uses.</li> <li>List and explain the elements of a balance sheet, and explain their purposes and uses.</li> </ul>   |
| 4      | Journalizing and Posting Transactions | <ul style="list-style-type: none"> <li>Double-entry Accounting Debits and Credits</li> <li>Using T-accounts</li> </ul>   | <ul style="list-style-type: none"> <li>Define the terms debit and credit.</li> <li>Understand the role of double-entry bookkeeping in</li> </ul>   |

| Topics | Topic                       | Subtopics   | Objectives   |
|--------|-----------------------------|---|--|
|        |                             | <ul style="list-style-type: none"> <li>• Entering and Analyzing Transactions</li> <li>• Preparing a Trial Balance</li> </ul>  | <ul style="list-style-type: none"> <li>• journalizing and posting transactions.</li> <li>• Record and analyze transactions using T-accounts while maintaining the integrity of the accounting equation.</li> <li>• Post and analyze transactions using ledgers and journals.</li> <li>• Explain the importance and purpose of a trial balance.</li> </ul>  |
| 5      | Preparing Adjusting Entries | <ul style="list-style-type: none"> <li>• Accrual Versus Cash Basis of Reporting</li> <li>• Recognition and Matching Principles</li> <li>• Journalizing and Posting Adjusting Entries</li> <li>• Prepaid Expenses and Unearned Revenue</li> </ul>  | <ul style="list-style-type: none"> <li>• Compare and contrast accrual and cash basis reporting methods in relation to the accounting period principle.</li> <li>• Explain the importance of revenue recognition and the matching principle.</li> <li>• Identify various types of adjusting entries for accruals, and describe how accounts are adjusted.</li> <li>• Record adjusting entries for prepaid expenses and unearned revenue.</li> </ul>   |
| 6      | The Accounting Cycle        | <ul style="list-style-type: none"> <li>• Preparing the Adjusted Trial Balance</li> <li>• Calculating Net Income or Loss</li> <li>• Journalizing and Posting Closing Entries</li> <li>• Preparing the Post-closing Trial Balance</li> <li>• The Accounting Cycle and Classification Structure</li> </ul> | <ul style="list-style-type: none"> <li>• Understand and complete an adjusted trial balance.</li> <li>• Prepare financial statements from an adjusted trial balance.</li> <li>• Explain the closing process including the use of temporary and permanent accounts and record closing entries.</li> <li>• Create a post-closing trial balance.</li> <li>• Name the steps in the accounting cycle.</li> <li>• Describe the classification structure and categories.</li> <li>• Prepare a classified balance sheet.</li> </ul> |
| 7      | Assets: Cash and Controls   | <ul style="list-style-type: none"> <li>• Cash Transactions</li> <li>• Establishing Internal Controls</li> <li>• Cash Receipts and Disbursements</li> </ul>  | <ul style="list-style-type: none"> <li>• Identify the various types of cash transactions including receipts and disbursements.</li> <li>• Explain the purpose and use of a petty cash fund.</li> </ul>   |

| Topics | Topic  | Subtopics  | Objectives  |
|--------|--|--|---|
|        |  | <ul style="list-style-type: none"> <li>Reconciling the Bank Statement</li> </ul>   | <ul style="list-style-type: none"> <li>Describe the purposes, principles, and limitations of limitations of internal controls.</li> <li>Identify the major guidelines and internal measures for controlling cash receipts and disbursements.</li> <li>Perform a bank reconciliation.</li> </ul>   |
| 8      | Assets: Sales and Receivables                | <ul style="list-style-type: none"> <li>Sales Journal and Accounts Receivable Ledger</li> <li>Recognizing Accounts Receivable</li> <li>Sales Returns and Allowances</li> <li>Accounting for Bad Debts</li> </ul>  | <ul style="list-style-type: none"> <li>Explain the purpose of the sales journal and the Accounts Receivable ledger and post entries to both.</li> <li>Describe how accounts receivable are recognized and valued.</li> <li>Record transactions for different types of credit sales.</li> <li>Record transactions for sales allowances and returns.</li> <li>Describe how to estimate bad debt expense.</li> <li>Post adjusting entries using the percent of sales, percent of A/R, and aging of A/R methods.</li> </ul> |
| 9      | Assets: Inventory Valuation                  | <ul style="list-style-type: none"> <li>Accounting for Inventory: Physical Count, Costs, and Controls</li> <li>Inventory Closing Methods</li> <li>Valuing Inventory and Lower of Cost or Market (LCM)</li> </ul>  | <ul style="list-style-type: none"> <li>Describe the physical elements, controls, and costs that make up inventory valuation.</li> <li>Explain inventory closing.</li> <li>Calculate the cost of inventory using the specific identification, first-in first-out, last in-first out, or weighted average method.</li> <li>Determine the value of inventory using the Lower of Cost or Market method.</li> </ul>  |
| 10     | Acquisition of Property, Plant and Equipment | <ul style="list-style-type: none"> <li>Acquisition of Property, Plant, and Equipment</li> <li>Depreciation of Property, Plant, and Equipment</li> <li>Disposition of Property, Plant, and Equipment</li> <li>Accounting for Natural Resources</li> <li>Accounting for Intangible Assets</li> </ul> | <ul style="list-style-type: none"> <li>Record the costs associated with the acquisition of property, plant, and equipment.</li> <li>Account for subsequent improvements of property, plant, and equipment.</li> <li>Define the term depreciation, and utilize particular methods to record depreciation expense.</li> <li>Record the appropriate entries for the disposal of plant,</li> </ul>  |

| Topics | Topic  | Subtopics  | Objectives   |
|--------|--|--|--|
|        |  |  | <p>property, and equipment for a realized gain or loss.</p> <ul style="list-style-type: none"> <li>• Explain the procedures for acquiring and accounting for natural resources.</li> <li>• Identify the procedures for acquiring and accounting for intangible assets.</li> </ul>  |
| 11     | Liabilities: Purchasing and Payables                     | <ul style="list-style-type: none"> <li>• Purchasing and the A/P Ledger</li> <li>• Recording Account Payables</li> <li>• Purchase Returns and Allowances</li> </ul>   | <ul style="list-style-type: none"> <li>• Explain the purpose of and prepare entries for the purchase order journal and the accounts payable (A/P) ledger.</li> <li>• Describe how accounts payable are recognized and valued, and then record transactions for different types of payables.</li> <li>• Analyze and record transactions for returns and allowances.</li> </ul>  |
| 12     | Liabilities: Notes Payable and Other Current Liabilities | <ul style="list-style-type: none"> <li>• Classifying Current Liabilities</li> <li>• Notes Payable</li> <li>• Taxes Payable</li> <li>• Accounting for Contingent Liabilities</li> </ul>   | <ul style="list-style-type: none"> <li>• Describe common types of liabilities, methods for estimating their values, and their implications for accounting purposes.</li> <li>• Define short-term notes payable and demonstrate the ability to record journal entries for these transactions.</li> <li>• Discuss how deferred taxes are accounted for and the journal entries that are required to account for these items.</li> <li>• Explain how to account for contingent liabilities and the journal entries needed to record these liabilities.</li> </ul> |
| 13     | Liabilities: Employee and Payroll Accounting             | <ul style="list-style-type: none"> <li>• Employee versus Contractor</li> <li>• Recording Wages Payable</li> <li>• Accounting for Employee Benefits: Health, Pension, and Vacation</li> <li>• Legal Responsibilities: Federal Withholdings and Reporting</li> </ul> | <ul style="list-style-type: none"> <li>• Determine if a person is an independent contractor or an employee using various criteria.</li> <li>• Compute wages payable for full-time, part-time, salaried, hourly, commission, and piece-rate employees.</li> <li>• Demonstrate the ability to calculate payroll tax deductions and liabilities including vacation,</li> </ul>  |

| Topics | Topic                          | Subtopics  | Objectives   |
|--------|--------------------------------|--|--|
|        |                                |  | <p>health, and pension-related transactions.</p> <ul style="list-style-type: none"> <li>Describe the responsibilities for withholding and submitting payroll taxes to the federal government.</li> </ul>   |
| 14     | Accounting Information Systems | <ul style="list-style-type: none"> <li>Foundation Principles for Accounting Information Systems</li> <li>Elements of an Accounting Information System</li> <li>Use of Special Journals in an Accounting Information System</li> <li>Use of the Sales Journal in an Accounting Information System</li> <li>Use of a Cash Receipts Journal in an Accounting Information System</li> <li>Use of a Purchases Journal in an Accounting Information System</li> <li>Use of a Cash Disbursements Journal in an Accounting Information System</li> <li>Technology Solutions for Small, Mid-Sized, and Large Companies</li> </ul> | <ul style="list-style-type: none"> <li>Identify the fundamental principles of an accounting information system.</li> <li>Describe the components of an accounting information system.</li> <li>Explain the need for special journals and how to post to and from these journals.</li> <li>Explain the use of subsidiary ledgers in an accounting system.</li> <li>Explain the impact of technology on small, mid-size, and large companies' accounting systems.</li> </ul> |
| 15     | Review                         |  | <ul style="list-style-type: none"> <li>Review</li> </ul>   |

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