

Kauai Community College

Accounting 201 Introduction to Financial Accounting Spring 2012

INSTRUCTOR: LENIE NISHIHIRA
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OFFICE HOURS: By appointment
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Course Description:

Introduction to accounting theory and methods used to record and report financial information according to generally accepted accounting principles.

Hours per Week: 3 lecture

Prerequisites:

“C” or higher in ENG 22 or higher, or placement into ENG 100 or higher.

Course SLOs

- Define accounting
- Analyze and record the effects of business transactions on a firm’s assets, liabilities, and owner’s equity and record these effects in accounting equation form
- Prepare adjustments for unrecorded business transactions
- Perform the Accounting cycle for both a service and merchandising company from source documents to financial statements
- Recognize ethical issues
- Identify and apply internal control procedures
- Perform basic financial ratio analysis

Course Focus:

The students will learn from homework, lecture, group discussions, and in class handouts.

Methods of Instruction:

Lecture, group discussion, exercises, and problems

TEXT AND REFERENCES:

Financial & Managerial Accounting Eleventh edition; Warren, Reeve, and Duchac;
South-Western Cengage Learning

STUDENT CONTRIBUTIONS:

Each student will spend at least nine hours per week preparing for class. Attendance is critical in this class.

COURSE EVALUATION:

Two exams	200
Final exam (comprehensive)	150
Two Practice sets	100
12 Chapters – Homework	120
12 Quizzes	<u>120</u>
Total points	<u>690</u>

Grade	Total points	Percentage
A	621-690	90-100
B	552-620	80-89
C	483-551	70-79
D	414-482	60-69
F	below 414	below 60

Evaluation:

All exams must be taken on the dates assigned unless there is a legitimate reason for the absence. Ten points will be deducted from scores if the student fails to make proper arrangements.

Homework is self-correct. Please show all corrections in red. Assignments are due at the beginning of class. Five points will be deducted from each class day deadline is missed. Five points will be deducted for incomplete work.

Attendance:

Regular attendance is expected of all students. A student who misses 10 % of the total classes may be dropped from the class.

Where absences occur, it shall be the student's responsibility to inform the instructor of anticipated or unavoidable absences.

Disability:

If you have a disability and have not voluntarily disclosed the nature of your disability and the support that you need, you are invited to contact the Student Services Office, 245-8212.

Business Division Etiquette Policy:

Students will be expected to comply with the Business Division Etiquette Policy.

Chapter Objectives:

CHAPTER OBJECTIVES

Chapter 1 Introduction to Accounting and Business

- A. Define accounting.
- B. Describe the profession of accounting and list its specialized fields.
- C. The Accounting Equation
- D. List the characteristics of a business transaction.
- E. State the accounting equation and define each element of the equation.
- F. Describe three financial statements.

Chapter 2 Analyzing Transactions

- A. Explain the purpose of an account.
- B. Apply the rules of debit and credit.
- C. Record the transactions in the journal.
- D. Post from the journal to the ledger.
- E. Prepare a trial balance.
- F. Record revenues and expenses.
- G. Analyze transactions without the journal.

Chapter 3 The Adjusting Process

- A. Explain how the matching concept relates to the accrual basis of accounting.
- b. Explain why adjustments are necessary and list the characteristics of adjusting entries.
- C Journalize entries for accounts requiring adjustments.
- D. Enter adjustments on a worksheet and prepare adjusted trial balance

Chapter 4 Completing the Accounting Cycle

- A. Prepare a work sheet
- B. Prepare financial statements from a work sheet.
- C. Journalize and post the adjusting entries and prepare a post-closing trial balance.
- D. Explain what is meant by the physical year and the natural business year.
- E. List the seven basic steps of the accounting cycle.

Chapter 5 Accounting for Merchandising Businesses

- A. Compare and contrast a service enterprise's income statement to a merchandising enterprise's income statement.
- B. Journalize the entries for merchandise transactions.
- C. Explain the differences between the periodic and perpetual inventory systems.
- D. Prepare the cost of merchandise sold section of an income statement
- E. Prepare the chart of accounts for a merchandising enterprise

Chapter 6 Inventories

- A. Apply four inventory costing methods.
- B. Distinguish between the income and tax effects of the inventory costing methods.
- C. Read and understand actual company inventory disclosures.
- D. Apply the lower of cost or market rule to inventory.
- E. Explain why inventory errors counter balance.
- F. Estimate inventory by two methods.
- G. Account for inventory by the periodic and perpetual systems

Chapter 7 Sarbanes-Oxley, Internal Control, and Cash

- A. Prepare a bank reconciliation and any necessary journal entries.
- B. Summarize basic procedures for achieving internal control over cash receipts, including the use of cash change funds and the cash over and short account.
- C. Summarize basic procedures for achieving control over cash payments, including the use of a voucher system, a discounts lost account and a petty cash account.
- D. Summarize how cash is presented in the balance sheet.
- E. Define electronic funds transfer and give an example of how it is used to process cash transactions.

Chapter 8 Receivables

- A. Define different types of receivables.
- B. Use the allowance method of accounting for uncollectibles.
- C. Estimate uncollectibles by the percentage of sales and aging approach.
- D. Identify internal control weaknesses in accounts receivable.
- E. Use notes receivable terminology.
- F. Account for notes receivable.
- G. Report receivables on the balance sheet.

Chapter 9 Fixed Assets and Intangible Assets

- A. Identify the elements of a plant asset's cost.
- B. Explain the concept of depreciation.
- C. Account for depreciation by four methods.
- D. Identify the best depreciation method for income tax purposes.
- E. Account for disposal of plant assets.
- F. Account for intangible assets and amortization.
- G. Distinguish capital expenditures from revenue expenditures.

Chapter 10 Current Liabilities and Payroll

- A. Classify liabilities as current or long-term.
- B. Account for current liabilities.
- C. Account for contingent liabilities.
- D. Make basic payroll entries.
- E. Report current liabilities.

Chapter 11 Corporations: Organization, Stock Transactions, and Dividends

- A. Identify the distinguishing characteristics of a corporation.
- B. Describe the two sources of stockholders equity and the classes of stock
- C. Journalize the issuance of stock
- D. Illustrate Retained earnings transactions
- E. Account for cash advances
- F. Account for stock dividends
- G. Account for stock splits

Chapter 12 Long-Term Liabilities: Bonds and Notes

- A. Journalize the issuance and payment of bonds payable
- B. Journalize the issuance and payment of notes payable
- C. Evaluate the debt and equity financing alternatives
- D. Calculate earnings per share

Course Schedule (Subject to Change)
Amended January 4, 2012
Accounting 201
Spring 2012

Jan	10	Introduction; Chapter 1 Intro to Accounting & Business
	12	Definitions (handout), EX1-1213, PR1-2B, PR 1-4B
	17	Ethics CP 1-1 (in class)
	19	Chapter 2 Analyzing Transactions* / Due: Ch 1 HW
	24	EX 2-9,19,21, PR 2-2A, Ethics CP2-1
	26	Chapter 3 The Adjusting Process* / Due: Ch 2 HW
	31	EX 3-1,26,28,29, PR 3-1A, 3-2A, Ethics CP 3-1
Feb	02	Chapter 4 Completing the Accounting Cycle* / Due: Ch 3 HW
	07	EX 4-1,2,12,22, PR 4-3A, Ethics CP 4-1
	09	Review / Due Ch 4 HW
	14	Exam 1
	16	Review exam / Assign Practice Set I
Mar	21	Chapter 5 Accounting for Merchandising Businesses*
	23	EX 5-3,4,10,11,20,26,27,29,39, Ethics CP 5-1
	28	Chapter 6 Inventories / Due: Ch 5 HW
	01	EX 6-17, PR 6-1A,3A,5A, Ethics CP 6-1
	06	Ch 7 Sarbanes-Oxley, Internal Control, and Cash* / Due: Ch 6 HW
	08	EX 7-1,16,18,19,PR 7-1A, 2A, Ethics CP 7-1
	13	Ch 8 Receivables
	15	EX 8-18,19, PR 8-4A, Ethic CP 8-1 / Due: Ch 7 HW
	20	Exam 2 / Due: Ch 8 HW
	22	Review exam / Assign Practice Set II
Apr	27,29	Spring Break
	03	Chapter 9 Fixed Assets and Intangible Assets*
	05	EX 9-3,4,16,18,19,25,26, PR9-2A, Ethics CP 9-1
	10	Chapter 10 Current Liabilities and Payroll* / Due: Ch 9 HW
	12	EX 10-6,7,8, PR 10-1A,2A, Ethics CP 10-1
	17	Ch 11 Corporations: Organizations, Stock Transactions, and Dividends* / Due: Ch 10 HW
	19	EX 11-1,3,4,5,10,11,21,22,24, Ethics CP 11-1
	24	Ch 12 Long-Term Liabilities: Bonds and Notes* / Due: Ch 11 HW
May	26	EX 12-4,5,6,7,10,PR12-1A Ethics CP12-1
	01	Review / Due: Ch 12 HW
	08	Final exam per schedule

*In order to optimize the student's learning experience and efficiently use lecture sessions, **read chapters prior** to class.