

COURSE OUTLINE

1. Course Number and Name: Bus303, Introduction to Accounting

Credits 3

2. Course Description: Financial statements are prepared to represent the profitability and value of business enterprises. As such, financial statements convey important information to business owners and managers and to those persons in the investment community that finance business enterprises and the government agencies that tax them. Business owners and managers make important decisions about the use of cash on hand and the allocation of scarce resources by relying heavily on financial statements. The accounting profession establishes and maintains procedures for assembling the information which goes into these financial statements so that those who read them will have an accurate perception of a firm's costs, revenues, and assets. This course instructs students in the basic principles of financial accounting with emphasis on accounting equation, accounting information cycle, the system of double-entry bookkeeping, the major external financial statements and provides an introduction to using financial statement information for financial analysis.

3. Course Goals

Within the accounting profession, there are recognized standards for the measurement and reporting of financial transactions. This course identifies the standards and illustrates their relevance for sound decision-making in the context of a for-profit enterprise. Students will use financial ratios and trend analysis as a means of interpreting the information contained in balance sheets and income statements. In addition, they will learn the procedures used by accounting professionals in valuing assets and liabilities.

4. Course Outcomes

The curriculum content is designed to shed light on the preparation of financial statements and the methods commonly employed to incorporate accounting information in the management decision process. Students will complete exercises related to the construction and interpretation of the balance sheet, income statement, and statement of cash flows.

The overall objective of this course is to provide students with knowledge of the underlying principles and application of accounting processes coupled with the ability to use basic financial analysis tools to understand transactions and their impact on the financial statements. The specific desired outcomes are as follows:

1. Describe the history and ongoing purpose of accounting and the accounting process.

2. Recognize and apply accounting vocabulary, concepts and principles for decision-making.
3. Complete the accounting process through the use of a closing worksheet.
 - a. Prepare a trial balance and explain its purpose and relationship to the financial statements.
 - b. Analyze, journalize and post adjusting and closing entries.
4. Interpret the results of basic transactional analysis, and analyze the effects of debits and credits on specific types of accounts.
5. Prepare the accounting for, and presentation of, the primary Balance Sheet categories, Current Assets, Fixed Assets, Liabilities and Owner's Equity and the Income Statement.
6. Interpret a Statement of Cash Flows and its relationship to the Income Statement and Balance Sheet.
7. Prepare and describe the purpose of a simple income statement, statement of owner's equity, balance sheet and statement of cash flows.
8. Analyze the implications surrounding the need for Explanatory Notes and other management disclosures as they relate to pertinent items in the financial statements.
9. Analyze, through the use of relevant analytical tools, basic and semi-complex business transactions and the results thereof in the financial statements

5. Course Concepts

1. Accounting history and current purpose
2. Accounting terminology, concepts and principles
3. Transactional Analysis
4. Ratio Analysis
5. Horizontal and Vertical Analysis
6. Basic bookkeeping processes and the reasons therefore
7. Basic financial statement preparation, analysis and interpretation:
 - a. Income Statement
 - b. Balance Sheet
8. Statement of Cash Flows
9. Management disclosure: Explanatory Notes, Extraordinary Items and Discussions

6. Required Textbook:

David Marshall, Wayne McManus, and Daniel Viele, Accounting: What the Numbers Mean with Connect Plus, 9th ed. (McGraw Hill, 2010). ISBN: 13: 9780077398279
\$185.00

7. Recommended Reading: (See Resources)

8. Additional Resources:

Accounting Glossary and Terminology References

1. The American Institute of Certified Public Accountants (AICPA) glossary reference page:

<http://thecaq.aicpa.org/Resources/Sarbanes+Oxley/A+Glossary+of+Terms.htm>

2. The New York State Society of CPAs (NYSSCPA) Glossary at:
http://www.nysscpa.org/prof_library/guide.htm

3. Investor Words at:
<http://www.investorwords.com/48/accounting.html>

4. Bitpipe's Accounting Definitions at:
<http://www.bitpipe.com/tlist/Accounting.html>

5. The Free Dictionary by Farlex Definitions at:
<http://www.thefreedictionary.com/accounting>

6. Washington Society Certified Public Accountants Glossary at:
<http://www.wscpa.org/wscpa/Resources/acctgloss.cfm>