

Accounting Concepts

Course Outcome Summary

Course Information

Organization	Madison Area Technical College
Developers	Dave Lamp
Development Date	8/6/2001
Revised Date	9/28/2004
Course Number	10-101-106
Instructional Level	Associate Degree
Potential Hours of Instruction	54
Total Credits	3

Description

Surveys accounting principles and practices with an emphasis on interpretation, rather than preparation, of financial statements. Presents basic business terminology, cash basis and accrual basis accounting, and ratio analysis. This class is not for students majoring in accounting.

Target Population

Small Business Operations, Real Estate, Paralegal studies, Supervisory Management/Leadership Development and other programs excluding those that require Accounting 1 - Principles (Accounting, Management and Finance).

Types of Instruction

Instruction Type	Contact Hours	Credits
Classroom Presentation	54	3

Textbooks

Edmonds, McNair and Milam, Olds.. *Fundamental Financial Accounting Concepts*. Irwin, McGraw-Hill. **Edition:** 4th.

Learner Supplies

Calculator. **Manufacturer:** ---.

Exit Learning Outcomes

Core Abilities

- A. Critical thinking
- B. Mathematics

Competencies

- A. Identify the basic elements of financial statements
Linked Core Abilities

Critical thinking

Competence will be demonstrated:

- A.1. through examination
- A.2. through selected homework

Criteria - Performance will be satisfactory when:

- A.1. you identify business accounting transactions
- A.2. you identify accounts as assets, liabilities, owner's equity, revenue or expense
- A.3. you record events with the accounting equation
- A.4. you explain the role of accounting in organizations
- A.5. you identify the major elements of financial statements

B. Explain accounting for accruals

Linked Core Abilities

Critical thinking

Mathematics

Competence will be demonstrated:

- B.1. through examination
- B.2. through selected homework

Criteria - Performance will be satisfactory when:

- B.1. you explain the concept of accrual vs cash accounting
- B.2. you identify accrual transactions
- B.3. you record accrual transactions under an accounting equation
- B.4. you explain the effects of end-of-period adjustments related to accruals
- B.5. you prepare simple financial statements for a business

C. Explain accounting for deferrals

Linked Core Abilities

Critical thinking

Mathematics

Competence will be demonstrated:

- C.1. through examination
- C.2. through selected homework

Criteria - Performance will be satisfactory when:

- C.1. you explain the accrual accounting system
- C.2. you identify deferral transactions
- C.3. you record deferral transactions under an accounting equation
- C.4. you distinguish asset costs from expenses
- C.5. you explain the effects of end-of-period adjustments related to deferrals
- C.6. you prepare financial statements that include cash, accrual, and deferral events

D. Record transactions

Linked Core Abilities

Critical thinking

Mathematics

Competence will be demonstrated:

- D.1. through examination
- D.2. through selected homework

Criteria - Performance will be satisfactory when:

- D.1. you explain double-entry accounting systems
- D.2. you explain debit and credit functions
- D.3. you prepare T account transactions
- D.4. you explain closing entries
- D.5. you prepare a trial balance
- D.6. you record transactions in a general journal

E. Analyze accounting for merchandising businesses

Linked Core Abilities

Critical thinking

Competence will be demonstrated:

- E.1. through examination
- E.2. through selected homework

Criteria - Performance will be satisfactory when:

- E.1. you differentiate between service and merchandising businesses
- E.2. you differentiate between product costs and period costs
- E.3. you differentiate between perpetual vs periodical inventory methods
- E.4. you evaluate financial statements analysis techniques
- E.5. you perform computations using appropriate methods
- E.6. you prepare an income statement

F. Explain accounting internal controls

Linked Core Abilities

Critical thinking

Competence will be demonstrated:

- F.1. through examination
- F.2. through selected homework

Criteria - Performance will be satisfactory when:

- F.1. you explain purpose of internal controls
- F.2. you identify key elements of strong internal control
- F.3. you explain internal controls for computer systems
- F.4. you explain internal controls for cash
- F.5. you prepare a bank reconciliation
- F.6. you explain the use of petty cash fund
- F.7. you prepare a classified balance sheet

G. Demonstrate accounting for cash

Linked Core Abilities

Critical thinking

Mathematics

Competence will be demonstrated:

- G.1. through examination
- G.2. through selected homework

Criteria - Performance will be satisfactory when:

- G.1. you prepare a bank reconciliation

H. Analyze accounting for receivables

Linked Core Abilities

Critical thinking

Mathematics

Competence will be demonstrated:

H.1. through examination

H.2. through selected homework

Criteria - Performance will be satisfactory when:

H.1. you explain customer credit terms

H.2. you explain the allowance method of accounting for bad debts

H.3. you explain the direct write-off method of accounting

H.4. you explain accounting for warranty obligations

H.5. you calculate discounts and interest on notes

H.6. you explain the cost of financing credit sales

I. Analyze accounting for payables

Linked Core Abilities

Critical thinking

Mathematics

Competence will be demonstrated:

I.1. through examination

I.2. through selected homework

Criteria - Performance will be satisfactory when:

I.1. you explain accounting for warranty obligations

I.2. you calculate discounts and interest on notes

J. Analyze accounting for inventories

Linked Core Abilities

Critical thinking

Mathematics

Competence will be demonstrated:

J.1. through examination

J.2. through selected homework

Criteria - Performance will be satisfactory when:

J.1. you explain FIFO, LIFO, weighted average inventory costing methods

J.2. you compute values for inventory using different costing methods

J.3. you compute lower-of-cost-or-market valuations

J.4. you compute estimated inventory values

J.5. you compute inventory turnover statistics

K. Analyze accounting for equity transactions

Linked Core Abilities

Critical thinking

Mathematics

Competence will be demonstrated:

K.1. through examination

K.2. through selected homework

Criteria - Performance will be satisfactory when:

- K.1. you explain sole proprietorship, partnership and corporation
- K.2. you explain major types of stock issued by corporations
- K.3. you explain cash, split and stock dividends
- K.4. you explain how accounting data is useful in making investment analysis
- K.5. you explain accounting for not-for-profit entities and governmental organizations