

ACCT& 201 – Leslie Lum
Fall 2016 Course Syllabus TTHF

Textbook: Financial Accounting: Tools for Business Decision Making, 8th Edition by Paul D. Kimmel, Jerry J. Weygandt, Donald E. Kieso, Wiley. (WileyPlus must be purchased.)

Schedule subject to change. Check Canvas for notices.

Week	Tuesday	Thursday	Friday
Sep 19	Introduction	Chapter 1	
Sep 26	Chapter 1 Questions due Canvas	Chapter 1 Homework (WileyPlus) www.wileyplus.com/class/540515	Chapter 1 Quiz (last 20 minutes of class) Company selection due
Oct 3	Chapter 2 Questions due Canvas	Chapter 2 Homework (WileyPlus) www.wileyplus.com/class/540515	Chapter 2 Quiz Chapter 2 discussion Balance sheet and the accounting equation post
Oct 10	Chapter 3 Questions due Canvas Chapter 2 discussion Balance sheet and the accounting equation response	Chapter 3 Homework (WileyPlus) www.wileyplus.com/class/540515 Practice Exam 1	Chapter 3 Quiz Chapter 3 discussion Accrual and deferrals post
Oct 17	Chapter 3 discussion Accrual and deferrals response No class Oct 18	Exam 1 (Chap 1 to 3)	Play Monopoly
Oct 24	Chapter 4 questions due	Chapter 4 Homework (WileyPlus)	Monopoly due Chapter 4 Quiz Chapter 4 discussion Shareholder's Equity post
Oct 31	Chapter 5 Questions due Chapter 4 discussion Shareholder's Equity response	Chapter 5 Homework (WileyPlus) Practice Exam 2	Monopoly audit (Canvas) Chapter 5 Quiz Chapter 5 Profit Margin, vertical and horizontal analysis post
Nov 7	Chapter 5 Profit Margin, vertical and horizontal analysis response	Exam 2 (Chap 1 to 5)	Holiday
Nov 14	Chapter 6 Questions	Chapter 6 Homework (WileyPlus)	Chapter 6 Quiz Chapter 6 discussion Inventory turnover post
Nov 21	Chapter 7 Questions due Chapter 6 discussion Inventory turnover response	Chapter 7 Homework (WileyPlus) No Class	Chapter 7 discussion Fraud and Internal Control post No Class
Nov 29	Chapter 7 Quiz Final review Chapter 7 discussion Fraud and Internal Control response	Practice Final	Essay exam Financial Analysis (50 minutes)
	Dec 8 Thursday Final 9:30 am		

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**Course
requirements**

Three exams	325
Seven chapter quizzes (Friday last 20 minutes of class)	140
Seven chapter questions (digital to canvas and hard copy in class)	35
Seven homework assignments (70 points) and worksheets (hard copy in class) – must be in class to get credit	100
Seven financial analysis discussion forums and presentations in class	70
Essay exam on financial analysis	30
Monopoly	20
Extra credit for going to college speakers and writing 500-word reflection within one week of event – 5 points	
TOTAL	720

- Identify the purpose and uses of financial accounting
- Apply basic accounting principles and assumptions to business transactions
- Employ double-entry bookkeeping to record and report on basic business operational transactions in an accounting system
- Describe the impact of basic operating transactions on a business's financial position
- Critically analyze a business's financial position and operational results
- Discuss the origins of fraud and means by which a business may protect itself from it
- Demonstrate business communications skills through a variety of assessments such as team assignments, oral presentations, and written documents

Contact

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A grade of C or better for English 101 and Math 138 is required for this course.

Prerequisite

Grading

GRADE	POINTS	PERCENTAGE
A	4.0	92-100
A-	3.7	90-91
B+	3.3	88-89
B	3.0	82-87
B-	2.7	80-81
C+	2.3	78-79
C	2.0	72-77
C-	1.7	70-71
D+	1.3	68-69
D	1.0	62-67
F	0.0	BELOW 62

A pass grade will not be given unless all requirements of the course are completed.

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Chapter Questions:

1. Chapter questions help you read through the chapter *prior* to covering it in class. They are due the Tuesday of the week that we cover the chapter.
2. Do not copy and paste from other sources. Write the answers out in your own words.
3. Keep a version of the chapter questions to study from.

Chapter homework:

1. Each chapter homework is due every **Thursday at midnight on WileyPlus** www.wileyplus.com/class/540515.
2. **START HOMEWORK EARLY!** The homework is open from the start of the quarter. You are allowed to go in three times.
3. Solutions manuals are available in the library and in the Business Study Center C207K.
4. Demonstration problems are on WileyPlus under Read Study Practice.

	The more homework you do, the better you will learn the material. <u>Completing 2 problem will get you full points for the chapter.</u> If you do the additional assigned problems, you will get 5 points extra credit.
Chapter 1	Problems 1-3A, 1-4A, Extra Credit P1-5A
Chapter 2	Problems 2-4A, 2-5A, Extra Credit P2-6A
Chapter 3	Problems 3-7A, 3-8A, Extra Credit P3-9A
Chapter 4	Problems 4-4A, 4-5A, Extra Credit P4-6A
Chapter 5	Problems 5-4A, 5-5A, Extra Credit P5-6A
Chapter 6	Problems 6-4A, 6-5A, Extra Credit P6-6A
Chapter 7	Problems 7-5A, 7-6A, Extra Credit P7-7A

Chapter Quizzes

1. Chapter Quizzes are given the last 20 minutes of class on the Friday after we complete the chapter.

Financial Analysis

1. Each student must select a company to analyze. You must post your analysis to the discussion forum on Canvas by Friday as noted on the schedule.
2. Then post one recalculation of a classmate and a comparison by Tuesday.
3. You will be asked to present in class and at the end of the quarter, the teams will do a comparison across the individual companies.

Exams

1. There will be three exams. 1 hour and 50 minutes each.
2. Exam 1 covers Ch 1 through Ch 2 and Ch 3.
3. Exam 2 covers Ch 1 to 5 with emphasis on Ch 3 to 5.
4. The final is comprehensive Ch 1 through 7 and is created by a group of instructors.
5. Exams are closed book and a 3 by 5 inch card is allowed.

Office Mix Powerpoints

Office Mix Powerpoints have been created to assist students in reviewing material covered in class or to provide materials in the event of illness or bad weather. The **powerpoints focus on tips and techniques to complete the transactions**. They are short and quick, therefore you may have to view them more than once to grasp the skill sets. Students find that it is helpful to review powerpoint before exams.

Chapter 1

Chap 1 Introduction

Why accounting is important to your life. It is!!

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Chap 1 Financial Statements

Explanation of why financial statements are important. Using Costco, a merchandising firm or retailer as an example, this ppt explains how business models and processes relate to a company's success. It describes the components of the balance sheet (assets, liabilities and equity) and shareholder's equity. Explanation of income statement, statement of shareholder's equity (retained earnings particularly) and cash flow statement. Description of how financial statements fit with each other. Brief overview of GAAP.

Chap 1 Legal Forms

The three major legal forms (sole proprietorship, partnership and corporation) are explained with their advantages and disadvantages.

Chapter 2

Chap 2 Financial Ratios

In the classified balance sheet current assets (used within one year or operating cycle) are group together and totaled. Next comes long-term investments not used for operations. Then long term assets used for operations. Intangible assets is a new category which are assets without physical substance. Liabilities are also broken out to current liabilities and long term liabilities. Equity is subtotaled separately. Then total liabilities and equity are totaled. The classified balance sheet allows analyst to do ratios to evaluate liquidity and solvency.

The financial ratios covered are growth (year-to-year revenues and net income), profitability (gross margin, net margin), liquidity (current ratio, quick ratio, working capital), inventory turnover, receivables turnover and debt to asset. Financial ratios allow analysts to compare companies to other companies.

Chapter 3

Chap 3 Processing Accounting Information

An introduction to the concepts of the accounting cycle, debits, credits, t-accounts and normal balances. Assets and expenses have debits as the normal balance (increase side). Liabilities, Equity and Revenues have credits as the normal balance (increase side).

Chap 3 Recording Accounting Information

The first four steps of the accounting cycle are to analyze, journalize, post to the account, and compile the trial balance. Using the same transactions from Jeff Bezos and Amazon, this video demonstrates how this is done.

Chap 3 Accrual Basis Accounting

The next two steps of the accounting cycle to make adjusting entries and compile the adjusted trial balance. This video provides descriptions of deferrals, accruals and adjustments and how they relate to GAAP. Changing some of the transactions from the Jeff Bezos and Amazon story, deferrals and accruals are demonstrated.

Chapter 4

Chap 4 Closing

The last three steps in the accounting cycle are covered here. The income statement is prepared. Then net income is brought to the retained earnings statement along with dividends. Then the balance sheet is compiled. In closing, use is made of the income summary account which is brought to retained earnings along with dividends. The post-closing trial balance is carried over to the next period.

Chapter 5

Chap 5 Perpetual Merchandise Accounting

http://personal.bellevuecollege.edu/lum/A201_Videos2012/A201_Ch_5Ppt1/A201_Ch_5Ppt1.html

Describes how to categorize, journalize and post transactions for businesses that use perpetual inventory. In perpetual inventory, all purchase, purchase returns and allowances and purchase discounts, and freight IN go into inventory accounts. They are not broken out. Cost of goods sold is taken with every physical movement of inventory.

Chap 5 Periodic Merchandise Inventory Accounting

Describes how to categorize, journalize and post transactions for businesses that use periodic inventory. In Periodic, the cost of goods sold is calculated at the end of the period. The purchase, purchase returns and allowance, purchase discount and freight in accounts are used to accumulate transactions during the period and they are added to beginning inventory (purchase and freight in) or subtracted (purchase returns and allowances and discounts) to come to cost of goods available for sale. Then ending inventory is subtracted to come to cost of goods sold. This video covers a general description and customer side transactions.

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Chap 5 Multiple Step Income Statement

Describes how net sales (gross sales less sales returns and allowances/sales discounts), gross profit (net sales less cost of goods sold), operating profit (gross profit less operating expenses) and net income or profit is determined.

Chapter 6

Chap 6 Inventory cost flow

Describes how to do FIFO, LIFO and average cost flow in periodic inventory.

Chapter 7

Chap 7 Internal Control

Principles of internal control.

Chap 7 Cash Reconciliation

Describes how to reconcile cash in bank and book (company) balances.

Chap 7 Cash Management

Reviews cash flow statement and cash budgeting.

Chap 7 Cash Control

Control principles in cash.

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**Company
Analysis**

Each student will be required to select a company from the following list. You will be performing analysis on the 10Ks of your company throughout the quarter and posting your work and analysis to the appropriate discussion forums and presenting your analysis in class.

These company analysis will help you understand how financial statements are used to evaluate companies.

Reserve your company on the Canvas Discussion: Company Selection

Consumer Services	Drugs
Diageo DEO	Merck MRK
Philip Morris PM	Lilly LLY
Kraft KHC	Pfizer PFE
Altria MO	Bristol BMY
Monsanto MON	Johnson JNJ
McKesson MCK	Astrazeneca AZN
Omni OMC	Novartis NVS
Viacom VIAB	Amgen AMGN
Whirlpool WHR	United Healthcare UNH
Fox FOXA	Abbott ABT
Netflix NFLX	Gilead GILD

**Mandatory
expected time**

The Business Transfer Program prepares students for careers in business. All the courses in the program are second-year courses that are rigorous and have many requirements

**Standard of
Behavior**

All interactions will be evaluated as to whether they are acceptable in the business environment. This includes interactions in the class, on online discussion forums, email communications, with the instructor, with fellow students, and in the community. Inappropriate communications include jokes and discussions your classmates find offensive, excessive messages, and other communications which would be typically deemed inappropriate in the workplace. If posting are deemed inappropriate or detrimental to the learning environment, they will be removed from the discussion forum. The student will be informed and expected to comply with requests for change and improvement.

Student Code

Cheating includes, but is not limited to, copying answers on exams, glancing at nearby exams, turning in assignments or papers that have been used in other classes, and giving or receiving help during an exam. Cheating includes, but is not limited to, purchasing or selling notes,

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assignments or examination materials. Having a cell phone in view for any reason during an exam will result in a zero in the exam.

Stealing includes, but is not limited to, taking the text, notes, exams, library books or other personal property of others without their permission.

Plagiarism is presenting the words, ideas, and/or work of others as if it is an individual's own work. It includes, but is not limited to, using other's papers as one's own and including parts of published works without giving credit where credit is due.

If you choose to cheat, steal or plagiarize, or if you assist anyone in cheating, the following actions will be taken:

You will receive zero on the assignment or assessment.

A report of the incident will be forwarded to the Dean of Student Services. He/she may file the report in your permanent record and/or take further disciplinary action.

If you feel you have been unfairly accused of any of the above, you may appeal. For a description of due process, see WAC 132H-120, available in the Dean's office.

"Cheating, stealing and plagiarizing (using the ideas or words of another as one's own without crediting the source) and inappropriate/disruptive classroom behavior are violations of the Student Code of Conduct at Bellevue College. Examples of unacceptable behavior include, but are not limited to: talking out of turn, arriving late or leaving early without a valid reason, allowing cell phones/pagers to ring, and inappropriate behavior toward the instructor or classmates. The instructor can refer any violation of the Student Code of Conduct to the Vice President of Student Services for possible probation or suspension from Bellevue College. Specific student rights, responsibilities and appeal procedures are listed in the Student Code of Conduct, available in the office of the Vice President of Student Services."

The Student Code, Policy 2050, in its entirety is located at:

http://bellevuecollege.edu/policies/2/2050_Student_Code.asp

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Affirmation of Inclusion	Bellevue College is committed to maintaining an environment in which every member of the campus community feels welcome to participate in the life of the college, free from harassment and discrimination. We value our different backgrounds at BCC, and students, faculty, staff members, and administrators are to treat one another with dignity and respect.
Code of Honor	By being a student in this course you acknowledge that you are a part of a learning community at Bellevue College that is committed to the highest academic standards. As a part of this community, you pledge to uphold the fundamental standards of honesty, respect, and integrity, and accept the responsibility to encourage others to adhere to these standards.
Accommodations	<p>The Disability Resource Center serves students with a wide array of learning challenges and disabilities. If you are a student who has a disability or learning challenge for which you have documentation or have seen someone for treatment and if you feel you may need accommodations in order to be successful in college, please contact DRC as soon as possible.</p> <p>If you are a person who requires assistance in case of an emergency situation, such as a fire, earthquake, etc, please meet with your individual instructors to develop a safety plan within the first week of the quarter.</p> <p>The DRC office is located in B 132 or you can call at 425.564.2498. Deaf students can reach us by video phone at 425-440-2025 or by TTY at 425-564-4110. Application information and other helpful links at www.bellevuecollege.edu/drc</p>
Public Safety	The Bellevue College (BC) Public Safety provides personal safety, security, crime prevention, preliminary investigations, and other services to the campus community, 24 hours per day, 7 days per week. Their phone number is 425.564.2400. Public Safety is located in K100 and on the web at: http://bellevuecollege.edu/publicsafety/ for campus emergency preparedness information, campus closure announcements and critical information in the event of an emergency.
Declare your business major	<p>If you intend to and have not already done so, declare your business major. Make sure you have consulted with an advisor and laid out your courses.</p> <p>Business Transfer Website: http://bellevuecollege.edu/business/transfer/default.htm</p>
CPA Requirements	<p>For students interested in pursuing the Certified Public Accountant designation, check out the following website for educational requirements:</p> <p>http://www.nasba.org/files/2011/02/Info_ForApplicants_Washington.pdf</p>

Chapter 1

1. Describe the three primary forms of business organization and list advantages and disadvantages of each.
2. Identify the users of accounting information. How do they use this information?
3. Explain the three types of business activity.
4. Describe the content and purpose of each of the financial statements.
5. Define assets, liabilities, and stockholders' equity, and state the basic accounting equation.
6. Describe the components that supplement the financial statements in an annual report.

Chapter 2

1. Identify sections of a classified balance sheet. Explain the differences between current and long-term assets and liabilities. Identify accounts that fit into each section.
2. What is measured by profitability ratios? Compute EPS and discuss how it is used to measure profitability.
3. Define liquidity and solvency. Identify and compute ratios for analyzing a firm's liquidity and solvency. How are these ratios interpreted?
4. Use the statement of cash flows to evaluate solvency. Compute free cash flow and describe what it measures.
5. What are generally accepted accounting principles? Name the U.S. and international standard-setting bodies that establish these principles.
6. Define and explain the significance of relevance, faithful representation, comparability, and consistency. Define and explain assumptions and principles that are used in financial reporting. Define and explain cost constraint.

Chapter 3

1. What is the basic accounting equation? How do business transactions effect the basic accounting equation?
2. What is an account and how does it help in the recording process?
3. Define debit and credit and explain how they are used to record business transactions.
4. What are the basic steps in the recording process?
5. What is a journal? How does it help in the recording process?
6. What is a ledger? How does it help in the recording process?
7. What is the purpose of posting and how does it help in the recording process?
8. What is the purpose of a trial balance? If the debits equal the credits in the trial balance, will the financial statements be error-free? Why or why not?
9. Define cash activities as operating, investing, or financing and give one example of each.

Chapter 4

1. What is the revenue recognition principle? What is the expense recognition principle?
2. What are the differences in the cash basis and the accrual basis of accounting? Which is required by GAAP? Why?
3. Why are adjusting entries needed? What are the major types of adjusting entries?
4. Identify types of prepayments and discuss the adjusting entry for each. What happens if the adjusting entry is not made?
5. Identify types of accruals and discuss the adjusting entry for each. What happens if the adjusting entry is not made?
6. Describe the nature and purpose of the adjusted trial balance.
7. Discuss the purpose of closing entries.
8. List the required steps in the accounting cycle. Discuss quality of earnings issues.
9. Discuss the differences between net income and cash provided by operating activities. How do cash-basis and accrual-basis accounting apply?

Chapter 5

1. What are the differences between a service enterprise and a merchandising company?
2. Give a detailed explanation of the recording of purchases under a perpetual inventory system. Use hypothetical figures to illustrate the perpetual inventory system.
3. How are sales revenues recorded under a perpetual inventory system?

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4. What are the differences between a single-step and a multiple-step income statement?
5. Show how to calculate cost of goods sold under a periodic inventory system.
6. Explain how the gross profit rate and the profit margin are computed. What does each represent? How can each be improved?
7. How is the quality of earnings ratio calculated? What does this ratio mean if it is significantly less than 1?
8. What is a key difference between a perpetual inventory system and a periodic inventory system?

Chapter 6

1. Why do companies need to determine inventory quantities at the end of the accounting period? Explain the steps in determining inventory quantities. Discuss issues involved in determining the ownership of goods. How do the shipping terms (FOB shipping point and FOB destination) affect ownership of goods? Define consigned goods and discuss related ownership issues.
2. Explain the basis of accounting for inventories and apply the inventory cost flow methods— FIFO, LIFO, and average—cost—under a periodic inventory system. Discuss the differences between the physical movement of goods and cost flow assumptions.
3. Discuss the effects on the income statement and balance sheet and tax effects of each of the inventory cost flow assumptions—FIFO, LIFO, and average-cost.
4. What is the lower-of-cost-or-market (LCM) basis of accounting for inventories? Describe the application of LCM.
5. What is the inventory turnover ratio? How is it computed? How is it used by external users and management?
6. What is the LIFO reserve? Explain its importance for comparing results of different companies.
7. Which method has the same results under a perpetual system as it does under a periodic system?
8. In the income statement, if beginning inventory is understated, what effect will it have on cost of goods sold and net income?

Chapter 7

1. What are the three factors of the fraud triangle that contribute to fraudulent activity by employees?
2. Identify the six principles of internal control. Give examples of each principle. Discuss the limitations of internal control.
3. List six internal controls over cash receipts. Explain the application of each.
4. List six internal controls over cash disbursements. Explain the application of each.
5. List the steps in preparing a bank reconciliation. Prepare a bank reconciliation. Prepare the journal entries that result from a bank reconciliation.
6. In which financial statement(s) is cash reported? Discuss restricted cash and negative cash balances.
7. Discuss the five basic principles of cash management.
8. What are the primary elements of a cash budget and what types of items would one find in each of the elements? Be specific in your answer.
9. Explain the operation of a petty cash fund. Make journal entries for a petty cash fund.

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	<i>Chapter Objectives</i>
CHAPTER 1	<ol style="list-style-type: none"> 1. Identify the forms of business organization and the uses of accounting information. 2. Explain the three principle types of business activity. 3. Describe the four financial statements and how they are prepared.
CHAPTER 2	<ol style="list-style-type: none"> 1. Identify the sections of a classified balance sheet. 2. Use ratios to evaluate a company's profitability, liquidity, and solvency. 3. Discuss financial reporting concepts
CHAPTER 3	<ol style="list-style-type: none"> 1. Analyze the effect of business transactions on the basic accounting equation. 2. Explain how accounts, debits, and credits are used to record business transactions. 3. Indicate how a journal is used in the recording process. 4. Explain how a ledger and posting help in the recording process. 5. Prepare a trial balance.
CHAPTER 4	<ol style="list-style-type: none"> 1. Explain the accrual basis of accounting and the reasons for adjusting entries. 2. Prepare adjusting entries for deferrals. 3. Prepare adjusting entries for accruals. 4. Prepare an adjusted trial balance and closing entries.
CHAPTER 5	<ol style="list-style-type: none"> 1. Describe merchandising operations and inventory systems. 2. Record purchases under a perpetual inventory system. 3. Record sales under a perpetual inventory system. 4. Prepare a multiple-step income statement and a comprehensive income statement. 5. Determine cost of goods sold under a periodic inventory system. 6. Compute and analyze gross profit rate and profit margin. 7. Record purchases and sales of inventory under a periodic inventory system.
CHAPTER 6	<ol style="list-style-type: none"> 1. Discuss how to classify and determine inventory. 2. Apply inventory cost flow methods and discuss their financial effects. 3. Explain the statement presentation and analysis of inventory. 4. Explain the lower-of-cost-or-market basis of accounting for inventories. 5. Apply the inventory cost flow methods to perpetual inventory records. 6. Indicate the effects of inventory errors on the financial statements.
CHAPTER 7	<ol style="list-style-type: none"> 1. Define fraud and the principles of internal control. 2. Apply internal control principles to cash. 3. Identify the control features of a bank account. 4. Explain the reporting of cash and the basic principles of cash management. 5. Explain the operation of a petty cash fund.