



Western Technical College

# 10101114 Accounting Principles 1

## Course Outcome Summary

### Course Information

<b>Description</b>	This course introduces Generally Accepted Accounting Principles (GAAP). Using double-entry accounting, learners will study the accounting cycle for service and merchandising businesses. Additionally, learners will study special journals, internal controls, accounts and notes receivable and merchandise inventory.
<b>Career Cluster</b>	Finance
<b>Instructional Level</b>	Associate Degree Courses
<b>Total Credits</b>	4
<b>Total Hours</b>	90

### Textbooks

*Accounting (Loose-Leaf)*. 29th Edition. Copyright 2023. Warren, Carl, Jefferson P. Jones, and William B. Taylor. Publisher: Cengage Learning. **ISBN-13:** 979-8-214-03819-3. Optional.

*CNOWv2 for Accounting – 2 Terms*. Copyright 2024. Warren, Carl, Jefferson P. Jones, and William B. Taylor. Publisher: Cengage Learning. **ISBN-13:** 978-0-357-89968-7. Required.

### Learner Supplies

Calculator. **Vendor:** Campus Shop. Required.

### Success Abilities

1. Live Responsibly: Develop Resilience
2. Live Responsibly: Foster Accountability

## Course Competencies

### 1. Assess the role of accounting in society.

#### Assessment Strategies

- 1.1. Written Product
- 1.2. Activity
- 1.3. Written Objective Test

#### Criteria

*You will know you are successful when*

- 1.1. you summarize the basic nature of the accounting profession.
- 1.2. you explain the accounting equation.
- 1.3. you summarize the development of accounting principles.
- 1.4. you explain the role ethics plays in the accounting cycle.

#### Learning Objectives

- 1.a. Describe the importance of ethics in an accounting information system.
- 1.b. Relate the development of accounting principles.
- 1.c. Relate the characteristics of the business transactions.
- 1.d. Complete the accounting equations.

### 2. Assess the financial statements of a sole proprietor and explain how they interrelate.

#### Assessment Strategies

- 2.1. Written Product
- 2.2. Written Objective Test

#### Criteria

*You will know you are successful when*

- 2.1. you identify the process used to recognize an expense, revenue, a liability, an asset, and an owner's equity.

#### Learning Objectives

- 2.a. Complete a simple income statement, a statement of owner's equity, and a balance sheet.

### 3. Apply fundamental accounting concepts.

#### Assessment Strategies

- 3.1. Activity
- 3.2. Written Product
- 3.3. Written Objective Test

#### Criteria

*You will know you are successful when*

- 3.1. you explain the characteristics of an account using debits and credits.
- 3.2. you explain the rules of normal account balances.
- 3.3. you analyze, record, and report transactions for service companies.
- 3.4. you apply fundamental accounting equation to business transactions.
- 3.5. you analyze the financial statement effects of transactions on the financial statements.
- 3.6. you explain the significance of double-entry accounting.
- 3.7. you prepare correcting entries.
- 3.8. you identify error in recording transactions.
- 3.9. you correct errors in the accounting information system.
- 3.10. you analyze transactions in the sales journal, the purchases journal, the cash disbursements journal, and the cash receipts journal.
- 3.11. you identify characteristics of subsidiary ledgers.

#### Learning Objectives

- 3.a. Analyze business transactions.
- 3.b. Record journal entries.
- 3.c. Post journal entries.

3.d. Prepare a trial balance.

#### **4. Prepare financial statements for a merchandising business.**

##### **Assessment Strategies**

- 4.1. Written Product (score 70% or higher)
- 4.2. Activity

##### **Criteria**

*You will know you are successful when*

- 4.1. you identify what information is found in the income statement, a statement of owner's equity, and a balance sheet.
- 4.2. you prepare a multiple-step income statement.
- 4.3. you prepare the statement of owner's equity
- 4.4. you complete the classified balance sheet.

##### **Learning Objectives**

- 4.a. Complete an income statement, a statement of owner's equity, and a balance sheet.
- 4.b. Analyze financial statements.
- 4.c. Use accounting terminology.

#### **5. Analyze the adjusting and closing process.**

##### **Assessment Strategies**

- 5.1. Written Product
- 5.2. Activity
- 5.3. Written Objective Test

##### **Criteria**

*You will know you are successful when*

- 5.1. you explain why adjustments are necessary.
- 5.2. you prepare a ten column accounting worksheet.
- 5.3. you prepare and post adjusting journal entries.
- 5.4. you explain why closing entries are necessary.
- 5.5. you journal and post closing entries.
- 5.6. you prepare a post-closing trial balance.
- 5.7. you list the basic steps of the accounting cycle.

##### **Learning Objectives**

- 5.a. Calculate adjusting entries.
- 5.b. Prepare and post adjusting and closing entries.
- 5.c. Prepare a post-closing trial balance.
- 5.d. Complete a worksheet.
- 5.e. Use accounting terminology.

#### **6. Summarize internal control procedures and accounting systems.**

##### **Assessment Strategies**

- 6.1. Written Product

##### **Criteria**

*You will know you are successful when*

- 6.1. you identify the strengths and weaknesses of internal controls.
- 6.2. you describe the three phases of accounting system installation and revision.
- 6.3. you describe the basic features of a computerized accounting system.

##### **Learning Objectives**

- 6.a. Discuss internal control processes required for an integrated accounting system.
- 6.b. Illustrate the basic principles of an accounting system.
- 6.c. Sketch the three phases of accounting systems installation and revision.
- 6.d. Evaluate the objectives and elements of internal control.

#### **7. Apply accounting concepts to merchandising business.**

### **Assessment Strategies**

- 7.1. Written Product
- 7.2. Activity
- 7.3. Written Objective Test

### **Criteria**

*You will know you are successful when*

- 7.1. you analyze, record, and report transactions for a merchandising company.
- 7.2. you prepare a chart of account and an income statement for a merchandising business.
- 7.3. you describe the accounting cycle for a merchandising business.

### **Learning Objectives**

- 7.a. Complete journal entries for the purchase of merchandise for resale.
- 7.b. Complete journal entries for the sale of merchandise.
- 7.c. Complete journal entries for the transportation cost of merchandise purchased for resale.
- 7.d. Complete an income statement for a merchandising enterprise.
- 7.e. Diagram the chart of accounts for a merchandising business.
- 7.f. Sketch the accounting cycle for a merchandising business.
- 7.g. Complete a worksheet for a merchandising business.
- 7.h. Use accounting terminology.

## **8. Evaluate inventory systems.**

### **Assessment Strategies**

- 8.1. Written Product
- 8.2. Activity
- 8.3. Written Objective Test

### **Criteria**

*You will know you are successful when*

- 8.1. you describe various inventory systems.
- 8.2. you identify accounting implications of various inventory systems.
- 8.3. you illustrate methods to estimate inventory.

### **Learning Objectives**

- 8.a. Calculate inventory using a) FIFO, b) LIFO, c) average, and d) specific identification methods.
- 8.b. Summarize internal control procedures that apply to inventories.
- 8.c. Compare the use of inventory costing methods.
- 8.d. Compare periodic and perpetual inventory systems.
- 8.e. Estimate the cost of inventory using the retail method and the gross profit method.
- 8.f. Use accounting terminologies.

## **9. Assess the controls over the handling of cash.**

### **Assessment Strategies**

- 9.1. Written Product

### **Criteria**

*You will know you are successful when*

- 9.1. you describe the nature of cash.
- 9.2. you summarize basic procedures for achieving internal control over cash receipts, including the use of cash change funds and the cash short and over account.
- 9.3. you summarize basic procedures for achieving internal control over cash payments, including the use of a voucher system, a discount lost account, and a petty cash account.
- 9.4. you describe the nature of a bank account and its use in controlling cash.
- 9.5. you prepare a bank reconciliation and journal with any necessary entries.
- 9.6. you summarize how cash is presented on the balance sheet.
- 9.7. you define electronic funds transfer.

### **Learning Objectives**

- 9.a. Illustrate the different items that are included in the cash category.

- 9.b. Record the journal entry for cash short and over.
- 9.c. Evaluate the internal control procedures for cash.
- 9.d. Illustrate the journal entries for change fund.
- 9.e. Demonstrate the use of the voucher system.
- 9.f. Illustrate the use of the petty cash account.
- 9.g. Record the journal entry for discount lost.
- 9.h. Complete a bank reconciliation with journal entries.
- 9.i. Complete a balance sheet.
- 9.j. Illustrate the use of electronic fund transfer.
- 9.k. Illustrate the nature of a bank account and its use in controlling cash.
- 9.l. Use accounting terminology.

**10. Demonstrate combining competencies to complete comprehensive assignments.**

**Assessment Strategies**

- 10.1. Project
- 10.2. Skill Demonstration

**Criteria**

*You will know you are successful when*

- 10.1. you prepare journal entries.
- 10.2. you post journal entries to the ledger.
- 10.3. you complete a worksheet and financial statements.
- 10.4. you prepare closing entries and posts the closing entries.
- 10.5. you prepare a post-closing trial balance.

**Learning Objectives**

- 10.a. Complete all required journals and post to the appropriate accounts.
- 10.b. Utilize all competencies to complete an accounting practice set.
- 10.c. Demonstrate knowledge of accounting principles and procedures.
- 10.d. Use accounting terminology.

**11. Explain the issues related to accounts and notes receivable.**

**Assessment Strategies**

- 11.1. Activity
- 11.2. Written Product

**Criteria**

*You will know you are successful when*

- 11.1. you classify receivables.
- 11.2. you identify the strengths and weaknesses of internal control of receivables.
- 11.3. you describe nature and accounting for uncollectible receivables.
- 11.4. you compare the direct write-off method to the allowance method.
- 11.5. you journal entries for notes receivable transactions, including discounted notes receivable and dishonored notes receivable.
- 11.6. you classify temporary investments.

**Learning Objectives**

- 11.a. Complete journal entries to write off uncollectible accounts using both the allowance method and direct write-off method
- 11.b. Compute interest, maturity value, and due dates of notes receivable
- 11.c. Compute discounting of notes receivable
- 11.d. Complete journal entries for recording notes receivable and for dishonored notes receivable
- 11.e. List internal control techniques for receivables
- 11.f. Use accounting terminology
- 11.g. Compute uncollectible accounts based on analysis of receivables (aging of accounts receivable) and based on sales