



Western Technical College

10101126 Accounting Principles 3

Course Outcome Summary

Course Information

Description Designed for Accounting majors to further develop understanding of accounting practices. This course includes an extensive application of generally accepted accounting principles (GAAP) and a study of relevant developments and pronouncements in accounting practices as they relate to ethics, budgets, preparation and interpretation of financial statements, and the valuation and presentation of accounting theories and concepts.

Career Cluster Finance

Instructional Level Associate Degree Courses

Total Credits 4

Total Hours 72

Pre/Corequisites

Prerequisite 10101124 Accounting Principles 2

Prerequisite 10154102 Software Applications for Business

Textbooks

Accounting – Chapters 16-17, 22, 24, 26. 27th Edition. Copyright 2018. Warren, Carl, James M. Reeve and Jonathan Duchac. Publisher: Cengage Learning. **ISBN-13:** 978-1-337-27211-7. Required.

CNOWv2 for Accounting – 12 Months. Copyright 2018. Warren, Carl, James M. Reeve and Jonathan Duchac. Publisher: Cengage Learning. **ISBN-13:** 978-1-337-27229-2. Required.

Course Competencies

1. Distinguish between managerial and financial accounting.

Assessment Strategies

- 1.1. Written Objective Test

Criteria

You will know you are successful when

- 1.1. you explain differences between financial and managerial accounting.
- 1.2. you explain how accounting standards (GAAP) are developed.
- 1.3. you identify current trends impacting businesses and financial and managerial accounting today.
- 1.4. you summarize basic theory underlying financial accounting.
- 1.5. you discuss basic procedures of accounting and apply them to the accounting process.
- 1.6. you identify organizational and ethical environment surrounding management accounting.
- 1.7. you identify financial statement elements and their relationship to overall business operation.
- 1.8. you recognize how managerial accounting supports management's decision making process in the planning, direction, controlling, and implementing stages.
- 1.9. you identify various expenses that are an integral part of a business.

Learning Objectives

- 1.a. Describe the roles of both the financial and the management accountant
- 1.b. Categorize the processes inherent in the decision-making process as it relates to managerial accounting
- 1.c. Apply accounting procedures to the accounting process
- 1.d. Identify the relationship between the financial statements

2. Prepare statement of cash flows.

Assessment Strategies

- 2.1. Written Product

Criteria

You will know you are successful when

- 2.1. you explain why the statement of cash flows is one of the basic financial statements.
- 2.2. you summarize types of cash flow activities reported in the statement of cash flows.
- 2.3. you prepare a statement of cash flows using the direct and indirect methods.

Learning Objectives

- 2.a. Complete a statement of cash flows using the direct and indirect methods
- 2.b. Analyze financial statements
- 2.c. Use accounting terminology

3. Analyze financial statements.

Assessment Strategies

- 3.1. Oral Presentation

Criteria

You will know you are successful when

- 3.1. you complete horizontal and vertical analysis on balance sheets.
- 3.2. you complete horizontal and vertical analysis on income statements.
- 3.3. you calculate solvency and profitability ratios.

Learning Objectives

- 3.a. Identify account classifications
- 3.b. Identify solvency ratios
- 3.c. Identify profitability ratios
- 3.d. Define horizontal and vertical analysis

4. Construct a master budget.

Assessment Strategies

- 4.1. Project

Criteria

You will know you are successful when

- 4.1. you compare actual results with the goals of management.
- 4.2. you prepare a budgetary income statement.
- 4.3. you prepare a budgetary balance sheet.
- 4.4. you prepare a sales budget.
- 4.5. you prepare a cost of goods sold budget.
- 4.6. you prepare a selling and administrative expense budget.
- 4.7. you prepare a cash budget.
- 4.8. you complete a budgetary system on the computer.

Learning Objectives

- 4.a. Describe the basic elements of the budget process
- 4.b. Defines the responsibility centers of a business
- 4.c. Lists the components of a master budget
- 4.d. Identifies the elements of a budgetary income statement
- 4.e. Describe the importance of linking a series of budgets to a master budget

5. Compare centralized and decentralized operations.

Assessment Strategies

- 5.1. Written Objective Test

Criteria

You will know you are successful when

- 5.1. you explain the advantages and disadvantages of centralized and decentralized centers.
- 5.2. you prepare a responsibility accounting report for a cost center.
- 5.3. you define responsibility accounting.
- 5.4. you identify service center charges and practices.
- 5.5. you identify investment center concepts and practices.
- 5.6. you explain performance measurements.
- 5.7. you analyze transfer pricing.

Learning Objectives

- 5.a. Prepare a responsibility accounting report for a cost center
- 5.b. Determine operating income
- 5.c. Complete a service department charges report
- 5.d. Calculate the rate of returns on investments and the residual income
- 5.e. Complete an income statement using transfer pricing

6. Analyze capital investments.

Assessment Strategies

- 6.1. Written Objective Test

Criteria

You will know you are successful when

- 6.1. you explain the importance of capital investment analysis.
- 6.2. you evaluate capital investment proposals.
- 6.3. you relate qualitative considerations to current manufacturing environment.
- 6.4. you describe factors that complicate capital investment analysis, as taxes, leasing price levels and alternative proposals.

Learning Objectives

- 6.a. Apply the following methods to capital investment: average rate of return, cash payback, net present value, and internal rate of return
- 6.b. List examples of qualitative considerations in capital investment analysis
- 6.c. Diagram the capital rationing decision process using a flowchart
- 6.d. Illustrate alternative choices by use of spreadsheet analysis

7. Evaluate annual reports including issues related to international transactions.

Assessment Strategies

7.1. Report

Criteria

You will know you are successful when

- 7.1. you summarize the essential components of an annual report.
- 7.2. you compare several annual reports.
- 7.3. you analyze the computations illustrated in an annual report.
- 7.4. you evaluate the objectives and overall content of an annual report.
- 7.5. you interpret solvency and profitability ratios.
- 7.6. you interpret horizontal and vertical analysis.
- 7.7. you journalize the entries for international transactions involving foreign currency transactions.

Learning Objectives

- 7.a. Identify the elements of an annual report
- 7.b. Apply calculations methods to compute various ratios and percentages on the income statement
- 7.c. Calculates solvency and profitability ratios
- 7.d. Prepares vertical and horizontal analysis reports
- 7.e. Identifies the financial statements presented
- 7.f. defines the calculates foreign exchange gains and losses
- 7.g. identifies realized and unrealized foreign currency gains and losses
- 7.h. defines the global business world

8. Analyze ethical issues.

Assessment Strategies

8.1. Written Product

Criteria

You will know you are successful when

- 8.1. you identify ethical issues in the workplace.
- 8.2. you discuss the Code of Professional Conduct of the AICPA.
- 8.3. you analyze professional ethics and acceptable behavior in business practice.

Learning Objectives

- 8.a. Identify professional conduct in public and private practice
- 8.b. Identify the rules which govern the performance of professional services by members
- 8.c. Discuss ethical cases and apply the rules governing acceptable behavior