**GROSSMONT COLLEGE**

**COURSE OUTLINE OF RECORD**

Curriculum Committee Approval: 02/02/2021

GCCCD Governing Board Approval: 03/16/2021

**BUSINESS 120 – FINANCIAL ACCOUNTING**

1. **Course Number** **Course Title** **Semester Units**

BUS 120 Financial Accounting 4

**Semester Hours:**

4 hours lecture 64-72 hours 128-144 outside-of-class hours 192-216 total hours

2. **Prerequisites**

None

**Corequisite**

None

**Recommended Preparation**

None

3. **Catalog Description**

This course introduces the student to the accounting function and how it is used within our economic society. It views accounting as an information-generating system that communicates financial data to support end users in their economic decision-making. This course covers the accounting information system and the recording and reporting of business transactions with a focus on the accounting cycle, the application of generally accepted accounting principles, the classified financial statements, and statement analysis. It also covers issues related to asset, liability, and equity valuation, revenue and expense recognition, cash flow, internal controls and ethics. This course is designed for students with an understanding of computer applications in word processing and spreadsheets, basic math skills and the ability to write in a businesslike manner.

4. **Course Objectives**

The student will:

1. Explain the nature and purpose of generally accepted accounting principles (GAAP).
2. Explain and apply the components of the conceptual framework for financial accounting and reporting, including the qualitative characteristics of accounting information, the assumptions underlying accounting, the basic principles of financial accounting, and the constraints and limitations on accounting information.
3. Define and use accounting and business terminology.
4. Explain what a system is and how an accounting system is designed to satisfy the needs of specific businesses; summarize the purpose of a journal and a ledger.
5. Apply transaction analysis, input transactions into the accounting system, process this input, and prepare and interpret the four basic financial statements.
6. Distinguish between cash basis and accrual basis accounting and their impact on the financial statements, including the matching principle.
7. Identify and illustrate how the principles of internal controls are used to manage and control the firm’s resources and minimize risk.
8. Explain the content, form, and purpose of the basic financial statements (including footnotes) and the annual report, and how they satisfy the information needs of investors, creditors, and other users.
9. Explain the nature of current asset issues including measuring and reporting receivables and bad debts, measuring and reporting inventory and cost of goods sold.
10. Explain the valuation and reporting of current liabilities, estimated liabilities, and other contingencies.
11. Identify and illustrate issues relating to long-term asset acquisition, use, depreciation, and disposal.
12. Distinguish between capital and revenue expenditures.
13. Identify and illustrate issues relating to long-term liabilities including valuation of debt, issuance, and retirement.
14. Identify and illustrate issues relating to stockholders’ equity including issuance, repurchase of capital stock, and dividends.
15. Explain the importance of operating, investing and financing activities reported in the Statement of Cash Flows when evaluating solvency and liquidity of the firm.
16. Interpret company activity, profitability, and liquidity through selection and application of appropriate financial analysis tools.
17. Identify the ethical implications inherent in financial reporting and be able to apply strategies for addressing them.

5. **Instructional Facilities**

Standard Classroom

6. **Special Materials Required of Student**

Calculator

7. **Course Content**

* 1. Purposes and uses of accounting information.
  2. The accounting cycle.
  3. Cash and accrual accounting.
  4. Internal controls.
  5. Financial reporting rules and disclosure.
  6. Current assets.
  7. Current liabilities.
  8. Long-term assets.
  9. Long-term liabilities.
  10. Stockholders’ equity and reporting requirements.
  11. Measuring cash flow.
  12. Financial statements and statement analysis.
  13. Ethical issues.

8. **Method of Instruction**

a. Lecture, discussion, question and answer, and illustration.

b. Preview of assignments and review of completed assignments.

c. Assignment of case problems for group discussion and response.

9. **Methods of Evaluating Student Performance**

a. Examinations including a written final, and quiz results.

b. Successful completion of homework assignments and case problems.

c. Progress and comprehension of course materials demonstrated through classroom participation.

10. **Outside Class Assignments**

a. Text and related homework assignments

b. Accumulation of accounting data using journals and ledgers

c. Preparation of formal financial statements

d. Analysis of published corporate annual reports.

11. **Representative Texts**

a. Representative Text(s):

Wild, John J. *Financial Accounting Fundamentals.* New York: McGraw-Hill, 2019.

b. Supplementary texts and workbooks:

Homework Manager Plus to accompany above-referenced text.

**Addendum: Student Learning Outcomes**

Upon completion of this course, our students will be able to do the following:

Generate and understand what financial statements are, from where and how they originate, and what information they provide about a business entity’s strengths and weaknesses.