



Financial Accounting

51, 45-minute programs

Financial accounting theory, principles, and procedures. Application of theory and practice to the accounting cycle and to systems design. Introduction to the preparation, use, and analysis of financial statements of a sole proprietor, partnership, and corporation to make effective business decisions.

Recommended Textbook:

"*Financial Accounting*", Warren, Fess, & Reeve, 9th edition, ISBN: 032418803X, South-Western College Publisher

Required:

"*Student Resource Manual*" correlates to videos, by Gil Noble, Palomar College

Program Descriptions

1. Orientation: Introduction to accounting

2. Introduction, Section 1 – Session 1

We will illustrate the effect of financial transactions on the accounting equation, and describe how to prepare financial statement. We will use the demonstration problem, Ray's Photography, presented in the Student Resource Manual.

3. Transactions, Section 1 – Session 2

We will do homework, Problem # 1, Elizabeth Bordon, M.D., Section #1, Session #2 from your Student Resource Manual.

4. Statements, Section 1 – Session 3

We will review homework problem #1 in your Student Resource Manual, Jim Beau, Architect. Also, do questions 1-8 from your Student Resource Manual. No workpapers are provided for these questions, just use scarp paper.

5. Journals, Section 2 – Session 1

We will illustrate the rules of debit/credit, and introduce journals, posting ledgers, chart of accounts and the trial balance. We will use demonstration problem #1 in your Student Resource Manual, Ray's Photography.

6. Posting, Section 2 – Session 2

We will review homework program #1, Section II – Session 2, Laura Palmer – Twin Peeks, from your Student Resource Manual. Workpapers are provided in the Student Resource Manual.

7. Ledgers, Section 2 – Session 3

We will review homework exercises 1-6 from your Student Resource Manual. Workpapers are provided in the Student Resource manual.

8. Adjusting Accounts, Section 3 – Session 1

We will discuss business year ends and why adjustments to the trial balance are necessary. Examples of the five types of adjustments will be analyzed. We will also discuss and illustrate the adjusted trial balance.

9. Adjusting Accounts continued, Section 3 – Session 2

We will review the homework problem and exercise for this session from the Student Resource Manual.

10. Adjusting Accounts continued, Section 3 – Session 3

We will review the homework for this session and also review Chapter 3.

11. Worksheet, Section 4 – Session 1

We will illustrate the completed worksheet and classified financial statements. We will journalize the adjusting journal entries. We will illustrate and describe the four closing entries and the post closing trial balance. We will use demonstration Problem #1, Hana Tours, Session #1, in your Student Resource Manual.

12. Statements, Section 4 – Session 2

We will review homework problem #1, Erica Kane's marriage counseling.

13. Adjust and Close, Section 4 – Session 3

We will review homework problem #2, Phil Dyr, Excavation, and exercises 1 & 2.

14. Accounting & Merchandising, Section 5 – Session 1

Introduction of new accounts and journal entries that a merchandiser would use to buy and sell merchandise for cash and on account. We will also discuss the concept of cost of goods sold and how to calculate net sales and cost of merchandise inventory purchased. Use Demonstration Problems for Session 1 to follow the illustration.

15. Accounting & Merchandising continued, Section 5 – Session 2

We will review the homework exercises for this session.

16. Accounting & Merchandising continued, Section 5 – Session 3

We will review the homework exercises for this session.

17. Systems – Internal Controls – Special Journals, Section 6 – Session 1

We will learn the principles for designing an accounting system, as well as the principles of internal control. The concept internal control will be illustrated using a purchasing/sales system. We will become familiar with the "Current Operating" transactions of a merchandiser and illustrate into which special journal they are recorded. The subsidiary ledger's purpose and use will be displayed. Use outline for notes SRM.

18. Systems – Internal Controls – Special Journals continued, Section 6 – Session 2

We will review the homework problems and exercises for this session.

19. Cash – Control, Section 7 – Session 1

In this session, we will learn the principles of internal control over cash management. We will define cash and describe its balance sheet presentation and valuation. We will also describe the purpose of the bank reconciliation and illustrate its preparation. Use the demonstration handouts for internal control notes and the bank reconciliation illustration.

20. Cash – Control continued, Section 7 – Session 2

We will review the homework problem, Miami Vise. We will also describe and illustrate how to account for petty cash, and cash over/short.

21. Cash – Control continued, Section 7 – Session 3

We will review the homework problem, Two Much Company, and the exercises assigned for this session. We will also describe and illustrate the use of the voucher system for better control over cash disbursements, and how to account for purchase discounts.

22. Receivables – Temporary Investments, Section 8 – Session 1

In this session we will define receivables and describe their valuation and balance sheet presentation. We will also describe and illustrate the direct write-off and allowance methods for recording uncollectible receivables. We will also describe and illustrate two methods of estimating uncollectible accounts: the percent of sales method and the analysis or receivables method.

23. Receivables – Temporary Investments continued, Section 8 – Session 2

We will review the homework exercises and problems in your Student Resource Manual. We will discuss and illustrate notes receivables, their differences from an account receivable, their terms, and accounting for the receipt of a note and its payment, or its default/dishonor.

24. Receivables – Temporary Investments continued, Section 8 – Session 3

We will review the homework exercises and problems in your Student Resource Manual. The theory valuation and accounting for temporary securities will be discussed and illustrated.

25. Receivables – Temporary Investments continued, Section 8 – Session 4

We will review the homework exercises and problems for this session. We will also discuss the internal controls necessary to account for receivables.

26. Inventory – Pricing and Control, Section 9 – Session 1

In this session we will define inventory and describe its balance sheet presentation. We will describe and contrast the periodic and perpetual methods of accounting for inventory. The process and importance, of determining the value of ending inventory will be described and illustrated using the first in-first out, last in-first out, and average cost methods.

27. Inventory – Pricing and Control continued, Section 9 – Session 2

We will review the homework problems and exercises. We will also illustrate the effect on the income statement and cash flow when different methods are used to calculate the value of ending inventory.

28. Inventory – Pricing and Control continued, Section 9 – Session 3

We will review the homework problems and exercises. We will also describe and illustrate the two methods of estimating the value of ending inventory, the gross profit and retail methods.

29. Inventory – Pricing and Control continued, Section 9 – Session 4

We will review the homework problems and exercises. We will also discuss and describe the principles of inventory control.

30. Intangible assets – Natural Assets, Section 10 – Session 1

In this session, we will learn how to define and account for plant assets. The accounting includes how to calculate the acquisition cost; the theory of depreciation, and how to calculate the depreciation amount to be used with the following methods: straight line, units of production, and the declining balance method.

31. Intangible assets – Natural Assets continued, Section 10 – Session 2

We will review homework exercises 1-4 for this session. We will then discuss a plant asset's costs subsequent to the original acquisition; capital vs. revenue expenditure, add disposal of plant assets by discarding, selling, and trading in.

32. Intangible assets – Natural Assets continued, Section 10 – Session 3

We will review homework exercises 1-4. We will then discuss the definition and accounting for intangible assets such as patents, copyrights, leases holds, goodwill, and lease hold improvements.

33. Intangible assets – Natural Assets continued, Section 10 – Session 4

We will review exercises 1-5 and then discuss the internal control and balance sheet presentation of leases and plant assets.

34. Current Liabilities – Payroll System, Section 11 – Session 1

In this session, we will define and list the types of current liabilities. We will also describe and illustrate payroll calculations, deductions, systems and internal control. The theory and accounting for pension plans, fringe benefits, and warranty expense will be described and illustrated.

35. Current Liabilities – Payroll System continued, Section 11 – Session 2

We will review the homework exercises and problem for this session. We will also describe and illustrate the theory and accounting for short-term notes payable and contingent liabilities. Use the notes for Session 2.

36. Current Liabilities – Payroll System continued, Section 11 – Session 3

We will review the homework exercises and problem for Session 3.

37. Partnerships Goals and Objections, Session 12 – Session 1

In this session we define what a partnership is, list its characteristics, and contrast then to a sole proprietorship. We will also illustrate the accounting for opening the partnership books, and dividing its net income or loss.

38. Partnerships, Goals and Objections continued, Section 12 – Session 2

We will review homework exercises 1-3, and then discuss the accounting for admitting a new partner, and liquidating a partnership.

39. Partnerships. Goals and Objections continued, Section 12 – Session 3

We will review homework problems 1 and 2.

40. Corporations, Section 13 – Session 1

In this session we define what a corporation is, list its characteristics and contrast them to a sole proprietorship and partnership. We define and explain the owner's equity of a corporation called stock holder's equity – and explain the effects of transactions on its two major subsections – paid in capitol and retained earnings. We also explain the mature and characteristics of a

corporation's ownership shares, called common stock and preferred stock. Other items of interest we explain include: par value, legal capital, premium and discounts (Also called excess paid in capital) on the issuance of stock, authorized shares, issued shares. Outstanding shares, treasury stock, a deficit in retained earnings, and dividends.

41. Corporations continued, Section 13 – Session 2

We review homework exercises 1-3 and introduce cash dividends, stock dividends, stock splits, earnings per share, and how to account for them.

42. Corporations continued, Section 13 – Session 3

We will review exercises 1-3 and explain the concepts of retained earnings, appropriated retained earnings, prior period adjustments, and stock holders equity per share.

43. Corporations continued, Section 13 – Session 4

We will review exercises 1-6 and explain corporate income taxes and how to account for them, and unusual items on the income statement including a change from one accounting principle to another, extraordinary gains or losses, and the results of discontinued operations.

44. Corporations continued, Section 13 – Session 5

We will review homework exercises 1-6.

45. Corporations continued, Section 13 – Session 6

We will review homework problem number 1.

46. Bonds, Section 14 – Session 1

In this session we introduce and discuss the main methods to finance a corporation and each method's advantages and disadvantages.

47. Bonds continued, Section 14 – Session 2

We will review homework exercises 1-4 and explain the concept of present value of lump sum and an annuity.

48. Bonds continued, Section 14 – Session 3

We will review homework exercises 1-4.

49. Cash Flow Statement, Section 15 – Session 1

To be able to explain the purposes of the statement of cash flows. To be able to describe the information reported in the statement of cash flows, including the major classification of cash into operating, investing, and financing activities.

50. Cash Flow Statement continued, Section 15 – Session 2

To be able to prepare a cash flow statement using the indirect method and to understand the usefulness of this statement.

51. Cash Flow Statement continued, Section 15 – Session 3

To master the preparation of the cash flow statement.