

# ACCT 100: ACCOUNTING

## Citrus College Course Outline of Record

Heading	Value
Effective Term:	Fall 2021
Credits:	4
Total Contact Hours:	72
Lecture Hours :	72
Lab Hours:	0
Hours Arranged:	0
Outside of Class Hours:	144
Strongly Recommended:	ENGL 101.
Transferable to CSU:	No
Transferable to UC:	No
Grading Method:	Standard Letter, Pass/No Pass

## Catalog Course Description

The objective of this course is to provide an elementary accounting background for business students. Course content includes development of the accounts through journalizing, cash journal entries, sales and purchases, posting, trial balance, work sheet and resultant financial statements. 72 lecture hours.

## Course Objectives

- apply fundamental accounting principles and concepts to activities of a sole proprietorship.
- perform each step of the accounting cycle by recording and summarizing financial information and preparing financial reports using the double-entry system of accounting
- analyze financial information by computing financial ratios such as working capital and the current ratio to aid in decision-making and the management of small businesses
- explain the role of accounting in business
- describe the accounting equation and asset, liability, owner's equity, revenue, and expense
- analyze business transactions and record the effect on the accounting equation
- journalize and post transaction to T-Accounts and prepare an unadjusted trial balance
- prepare adjustments, adjusting entries and an adjusted trial balance
- prepare closing entries and a post-closing trial balance
- explain the roles of internal controls and provide examples of internal control procedures
- prepare a bank reconciliation and the related journal entries
- prepare journal entries for a petty cash fund
- describe the function and elements of a payroll system
- calculate and record employee earnings and withholdings to determine net pay
- describe and prepare employer payroll reports
- discuss payroll report filing requirements
- calculate and journalize employer payroll tax expense
- describe the nature of a merchandising business compared to a service business

- record sales and sale-related transactions using periodic inventory system and perpetual inventory system
- record purchase and purchase-related transactions using periodic inventory system and perpetual inventory system
- record transactions in special journals
- compute and record sales and purchase discounts and allowances, returns, and sales taxes, and freight.
- compute and record adjustments for accruals, deferrals (prepaids), depreciation and inventory
- prepare an income statement and classified balance sheet
- describe the purpose of the statement of cash flows

## Major Course Content

1. Introduction to Accounting.
2. Analyzing Transactions: The Accounting Equation.
3. The Double-Entry Framework.
4. Journalizing and Posting Transactions.
5. Adjusting Entries and the Work Sheet.
6. Financial Statements and the Closing Process.
7. Accounting for Cash.
8. Payroll Accounting: Employee Earnings and Deductions.
9. Payroll Accounting: Employer Taxes and Reports.
10. Accounting for Sales and Cash Receipts.
11. Accounting for Purchases and Cash Payments.
12. Special Journals.
13. Accounting for Merchandise Inventory.
14. Adjustments and the Work Sheet for a Merchandising Business.
15. Financial Statements and Year-End Accounting for a Merchandising Business.

## Suggested Reading Other Than Required Textbook

The assigned textbook reading and various written handouts given out during the course of the semester.

## Examples of Required Writing Assignments

You are a bank loan manager and responsible for approving small business loans and loans to investors who are purchasing commercial and residential real estate for rental purposes.

Question 1: Discuss which financial reports would you request from the client to review and evaluate the following:

- a) The company's history and ability to make loan monthly payments and repay the loan
- b) The company's history and ability to earn a steady and reasonable profit

Working capital and the current ratio measure liquidity to pay short-term debts. The debt-to-asset ratio and debt-to-equity ratio is measure of leverage and risk because is considers both long-term and short term debt. The business loans you are approving are long-term loans.

Question 2: Do you think that it is necessary to evaluate a company's working capital and current ratio for approving long-term loans? Why or why not?

## Examples of Outside Assignments

1. George Atlas started a business on June 1, 20--. Analyze the following transactions for the first month of business using T accounts. Label each T account with the title of the account affected and then place the transaction letter and the dollar amount on the debit or credit side. (a) Invested cash in the business, \$7,000. (b) Purchased equipment for cash, \$900. (c) Purchased equipment on account, \$1,500. (d) Paid cash on account for equipment purchased in transaction (c), \$800. (e) Withdrew cash for personal use, \$1,100.
2. B.F. Goodson employs Eduardo Gonzales at a salary of \$46,000 a year. Goodson is subject to employer Social Security taxes at a rate of 6.2% and Medicare taxes at a rate of 1.45% on Gonzales's salary. In addition, Goodson must pay SUTA tax at a rate of 5.4% and FUTA tax at a rate of 0.6% on the first \$7,000 of Gonzales's salary. Compute the total cost to Goodson of employing Gonzales for the year.

## Instruction Type(s)

Lecture, Online Education Lecture