

UNIVERSITY OF PUERTO RICO IN BAYAMÓN
BUSINESS ADMINISTRATION
ACCOUNTING PROGRAM

SYLLABUS

- Course Title** : Introduction to the Fundamentals of Financial Accounting I
- Code** : CONT 3005
- Credits** : Four (4)
- Previous Requirements** : none
- Meeting hours** : Four (4) hours a week; 60 hours per semester
- Description** : The study of the principles, concepts and procedures for a basic financial accounting. The accounting cycle for merchandise and services businesses will be studied. Emphasis is made on valuation, classification, presentation, organization, and control of the following assets: Cash, Marketable Securities, Accounts Receivable, Inventories, and Long-term assets.
- Textbook** : Accounting, 21st Edition, Warren, Reeve & Fess, Thompson, South-Western, 2005
- Students active Learning aids** : PERSONAL Trainer 3.0 – lets students complete their assigned homework from the text or practice on unassigned homework online. Provides a real-time guided self-correcting learning reinforcement system outside the classroom.
- PASS – Power Accounting System Software is a general ledger package for solving the end-of-chapter problems, the continuing problem and the comprehensive problems. Allows students to see the difference between manual and computerized accounting systems.
- Spreadsheet Application Software – is a set of electronic worksheets that help students solve selected exercises and problems that are identified in the text with an icon. These spreadsheets give students the opportunity to solve problems using Microsoft Excel.
- Evaluation Criteria** : The evaluation alternatives will include:
1. Partial tests will be given two (2) to three (3) with a value of 100 points each.
 2. Short test, quizzes, cases, computerized exercises, internet exercises, and general ledger software exercises, will be given according to the professor's discretion and may have the value as an additional test.
 3. Mid-term may be given depending on faculty member's decision.
 4. Comprehensive general ledger software problems that integrates and summarize concepts and principles from different chapters according to professor's discretion.

5. Final test will be a general one that will include topics of the complete course objectives with a value of 100 points.

General Objectives

: At the end of the course the student should:

1. Use technology and Internet to gather information used in accounting problem solving situations.
2. Apply judgments and critical analysis skills in solving problems and arriving at conclusions.
3. Acknowledge and observe ethical behavior proper to an accounting professional.
4. Apply the use of accounting vocabulary in developing written and oral communication related to accounting issues.
5. Work in teams in solving assigned cases and problems.

Specific Objectives

: At the end of the course the student should be able to:

1. Use the skills for accounting processes that include the analysis of business transactions using debits and credits, journals, ledger and subsidiaries, identify and explain adjustments, prepare closing entries and financial statements using general ledger software which emulates a real world accounting software program.
2. Apply accounting concepts and principles in preparing and analyzing information for decision making by interested users.
3. Understand the accrual basis of accounting; analyze the adjusting and closing process to prepare financial statements of a sole proprietorship service business and merchandising business.
4. Understand the nature of cash, the importance of internal control over cash, summarize basic procedures for achieving internal control over cash receipts and payments, prepare bank reconciliation and journal entries related.
5. Know the characteristics of the receivables, internal control procedures, and accounting methods for uncollectible accounts.
6. Understand the cost flow assumptions related to inventory, costs related to record the inventory accounts and the financial statements presentation. Estimate inventory account using different accounting methods.
7. Identify different permanent assets, tangible and intangible, costs related and the cost allocation through the estimated life using different methods.

Educational Strategies

: Conferences, analysis of financial reporting problems, comparative analysis problems, group decision cases, interpreting financial statements, ethic cases, exploring the web, real world emphasis, comprehensive computerized problems, general ledger problems and spreadsheet problems.

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| Scale of grades | : | 100 - 90 | A |
| | | 89 - 80 | B |
| | | 79 - 70 | C |
| | | 69 - 60 | D |
| | | 59 - 0 | F |

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|---------------------------|---|--------------------------|-------------|
| Grade distribution | : | Tests..... | 50% |
| | | Special projects..... | 40 |
| | | Class participation..... | 10 |
| | | | <u>100%</u> |

COURSE OUTLINE

| Topic | Chapter | Hours |
|--|----------------|--------------|
| I. Introduction to accounting and business A. Nature of the business B. The role of accounting in business C. Business ethics D. Profession of accounting E. Generally accepted accounting principles F. Assets, liabilities and owner's equity G. Business transactions and the accounting equation H. Financial statements | 1 | 4 |
| II. Analyzing transactions A. Usefulness of an account B. Characteristics of an account C. Analyzing and summarizing transactions in accounts D. Trial balance E. Discovery and corrections of errors F. Financial analysis and interpretation | 2 | 6 |
| III. The matching concept and the adjusting process A. The matching concept B. Nature of the adjusting process | 3 | 6 |

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| | C. Recording adjusting entries D. Financial analysis and interpretation | | |
| IV. | Completion of the accounting cycle A. Accounting cycle B. Work sheet C. Financial statements D. Adjusting and closing entries E. Fiscal year F. Financial analysis and interpretation | 4 | 6 |
| V. | Accounting systems and internal control A. Basic accounting systems B. Internal control C. Special Journals and subsidiary ledgers D. Computerized accounting systems E. E-commerce | 5 | 6 |
| VI. | Accounting for merchandising businesses A. Nature of merchandising businesses B. Financial statements for a merchandising business C. Sales transactions D. Purchase transactions E. Transportation costs, sales taxes, and trade discounts F. Chart of accounts for a merchandising business G. The accounting cycle for a merchandising business | 6 | 6 |
| VII. | Cash A. Nature of cash and the importance of controls over cash B. Control of cash receipts C. Internal control of cash payments D. Bank accounts: their nature and use as a control over cash E. Bank reconciliation F. Petty cash G. Presentation of cash on the balance sheet | 7 | 4 |
| VIII. | Receivables A. Classification of receivables B. Internal control of receivables C. Uncollectible receivables D. Allowance method of accounting for receivables E. Direct write-off method of accounting for uncollectible accounts F. Characteristics of notes receivables G. Accounting for notes receivable H. Receivables on the balance sheet | 8 | 6 |

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| IX. Inventories A. Internal control of inventories B. Effect of inventory errors on financial statements C. Inventory cost flow assumptions D. Inventory costing methods under a perpetual inventory system E. Inventory costing methods under a periodic inventory system F. Comparing inventory costing methods G. Valuation of inventory at other than cost H. Presenting merchandise inventory on the balance sheet I. Estimating inventory cost | 9 | 6 |
| X. Fixed assets and intangible assets A. Nature of fixed assets B. Accounting for depreciation C. Capital and revenue expenditures D. Disposal of fixed assets E. Leasing fixed assets F. Internal control over fixed assets G. Natural resources H. Intangible assets I. Financial reporting for fixed assets and intangible assets | 10 | 6 |
| XI. Tests | * | 4 |
| XII. Total hours | | <u>60</u> |

* Tests will be programmed according to class needs.

Bibliography

Hornngren, Harrison and Bamber, Accounting, 6th edition, Prentice-Hall, 2005.

Needles, Powers & Crosson, Financial and Managerial Accounting, 7th Edition, Houghton Mifflin, 2005.

Needless & Powers, Principles of Financial Accounting, 9th edition, Houghton Mifflin, 2005.

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Kieso, Weygandt & Warfield, Intermediate Accounting, 11th edition, John Wiley & Sons, 2004.

Weygandt, Kieso & Kimmel, Accounting Principles, 7th edition, John Wiley & Sons, 2005.

<http://www.aicpa.org>

<http://www.biz.yahoo.com/i>

<http://www.rutgers.edu/accounting/raw>

http://www.irs.ustreas.gov/prod/forms_pubs/index.html

<http://warren.swlearning.com>

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UPR at Bayamón complies with the provisions of the Americans with Disabilities Act and Law 51 on Integrated Educational Services for People with Impediments. Students with impediments should report to the professor in order to design reasonable accommodations to those effects. Confidentiality will be maintained.