

Uses of Accounting Information I

Course Design

2007-2008

Course Information

Organization	Eastern Arizona College
Division	Business
Course Number	BUA 230
Title	Uses of Accounting Information I
Credits	3
Developed by	Mark Anderson
Lecture/Lab Ratio	3 Lecture, 0 Lab
Transfer Status	ASU-ACC 240, NAU-ACC 256, U of A-ACCT 210
Activity Course	No
CIP Code	52.0200
Assessment Mode	Pre/Post Test 25 Questions, 50 Points
Semester Taught	Fall and Spring Semesters
GE Category	None
Separate Lab	No
Awareness Course	No
Intensive Writing Course	No

Prerequisites

Prior to concurrent enrollment in BUA 250 required; concurrent enrollment in BUS 101 not permitted.

Educational Value

A. TO GENERAL EDUCATION: The course provides an opportunity for the student to determine his/her interests and aptitudes in the field of accounting. It also gives the student a background that will increase his/her economic understanding of the community, country, and world in which he/she lives, by understanding principles and uses of financial information. It also develops such tools for lifelong learning as decision-making, communication, and positive group interaction.

B. TO MAJOR/PROGRAM: This is the foundation course upon which all other accounting courses are based; it is a required course for all Business Administration majors, and provides a necessary understanding of "the language of business" for anyone entering that field.

C. OTHER: Many of the principles learned in this course apply to the management of one's own personal finances and enhance the management of the student's financial affairs and decision making.

Description

Introduction to the uses of financial information for internal and external purposes. Emphasizes using accounting information to meet the needs of financial decision makers, financial statement analysis and understanding the business cycle.

Textbooks

Kumen H. Jones, et. al.. *Introduction to Financial Accounting: A User Perspective*. Edition: 3rd. Publisher: Prentice Hall. Year: 2004. Required

Supplies

None.

Competencies and Performance Standards

1. Outline the elements of the American free enterprise system.

Learning objectives

What you will learn as you master the competency:

- a. Outline the factors of production for business.
- b. Contrast the profit motive vs. the social responsibility of business.
- c. Describe the three major forms of business organization.
- d. Compare the three major types of business.

Performance Standards

Competence will be demonstrated:

- o as assignments are submitted by the due date indicated on the course schedule.
- o when learner is present for in-class group analysis and discussion and fulfills role assignment for that day.
- o by taking and passing exam taken on the day given in class without the use of textbook or notes.
- o by taking and passing quiz given on the first day the topic is addressed in class without the use of textbook or notes.

Criteria-Performance will be satisfactory when:

- o learner outlines the factors of production for business.
- o learner contrasts the profit motive vs. the social responsibility of business.
- o learner describes the three major forms of business organization.
- o learner compares the three major types of business.

2. Explain the major components and importance of generally accepted accounting principles and outside assurance.

Learning objectives

What you will learn as you master the competency:

- a. Provide an explanation of the basics of and need for Generally Accepted Accounting Principles (GAAP).
- b. Articulate the basic assumptions of GAAP.
- c. Describe the basic principles of accounting under GAAP.
- d. Determine as to when the application of modifying conventions to GAAP are necessary.
- e. Examine the need for audits for financial statements.
- f. Differentiate among the variety of audit opinions that may be presented on an audit report.
- g. Discriminate among the variety of audits available.
- h. Discuss the kinds of information provided on an annual report and 10-K report.

Performance Standards

Competence will be demonstrated:

- o as assignments are submitted by the due date indicated on the course schedule.
- o when you are present for in-class group analysis and discussion and fulfill role assignment for that day.
- o by taking and passing exam taken on the day given in class without the use of textbook or notes.
- o by taking and passing quiz given on the first day the topic is addressed in class without the use of textbook or notes.

Criteria-Performance will be successful when:

- o you provide an explanation of the basic of and need for Generally Accepted Accounting Principles (GAAP).
- o you articulate the basic assumptions of GAAP.
- o you describe the basic principles of accounting under GAAP.
- o you determine as to when the application of modifying conventions to GAAP are necessary.
- o you examine the need for audits of financial statements.
- o you differentiate among the variety of audit opinions that may be presented on an audit report.
- o you discriminate among the variety of audits available.
- o you discuss the kinds of information provided on an annual report and 10-K report.

3. Apply decision-making skills to economic decision situations faced by external business stakeholders.

Learning objectives

What you will learn as you master the competency:

- a. Summarize the types of decision making techniques.
- b. Explain the tradeoff between rewards and sacrifices.
- c. Identify the two information processing styles.
- d. Outline the seven steps of decision making.
- e. Describe the importance of creative decision making.

- f. Explain the effect that personal values have on decision making.
- g. Contrast the types of ethical systems used in making decisions.
- h. Demonstrate the ability to make decisions.
- i. Differentiate among the needs of the various internal and external economic information users.
- j. Discuss the factors that contribute to useful accounting information.
- k. Identify the primary qualities of accounting information.
- l. Identify the secondary qualities of information.

Performance Standards

Competence will be demonstrated:

- o as assignments are submitted by the due date indicated on the course schedule.
- o when learner is present for in-class group analysis and discussion and fulfills role assignment for that day.
- o by taking and passing exam taken on the day given in class without the use of textbook or notes.
- o by taking and passing quiz given on the first day the topic is addressed in class without the use of textbook or notes.
- o by addressing a sample problem-situation case provided on a take-home assignment.

Criteria-Performance will be satisfactory when:

- o learner summarizes the types of decision making techniques.
- o learner explains the tradeoff between rewards and sacrifices.
- o learner identifies the two information processing styles.
- o learner outlines the seven steps of decision making.
- o learner describes the importance of creative decision making.
- o learner explains the effect that personal values have on decision making.
- o learner contrasts the types of ethical systems used in making decisions.
- o learner demonstrates the ability to make decisions.

4. Classify the results of economic transactions as they affect the balance sheet.

Learning objectives

What you will learn as you master the competency:

- a. Describe the accounting elements present in the balance sheet.
- b. Characterize the elements of owner's equity on a balance sheet.
- c. Illustrate the effects of transactions that affect the balance sheet.
- d. Explain the corporate organizational structure.
- e. Discriminate between common stock and preferred stock.
- f. Compare the characteristics of primary and secondary stock markets.
- g. Summarize how financial institutions earn profits.
- h. Detail the process of issuing bonds payable in both the primary market and the secondary market.

- i. Compare equity and debt investments.

Performance Standards

Competence will be demonstrated:

- o as assignments are submitted by the due date indicated on the course schedule.
- o when learner is present for in-class group analysis and discussion and fulfills role assignment for that day.
- o by taking and passing exam taken on the day given in class without the use of textbook or notes.
- o by taking and passing quiz given on the first day the topic is addressed in class without the use of textbook or notes.

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Criteria-Performance will be satisfactory when:

- o learner describes the accounting elements present in the balance sheet.
- o learner characterizes the elements of owner's equity on a balance sheet.
- o learner illustrates the effects of transactions that affect the balance sheet.
- o learner explains the corporate organizational structure.
- o learner discriminates between common stock and preferred stock.
- o learner compares the characteristics of primary and secondary stock markets.
- o learner summarizes how financial institutions earn profits.
- o learner details the process of issuing bonds payable in both the primary market and the secondary market.

5. Demonstrate the relationship among revenues, expenses, and their resultant effect on owner's equity.

Learning objectives

What you will learn as you master the competency:

- a. Classify transactions as to revenues and expenses.
- b. Describe the characteristics of a revenue.
- c. Describe the characteristics of an expense.
- d. Construct a simple income statement, from a variety of financial transactions, in both single-step and multi-step formats.
- e. Prepare a statement of owner's equity for a corporation, partnership and a proprietorship.
- f. Show how the three basic financial statements articulate with one another.

Performance Standards

Competence will be demonstrated:

- o as assignments are submitted by the due date indicated on the course schedule.
- o when learner is present for in-class group analysis and discussion and fulfills role assignment for that day.
- o by taking and passing exam taken on the day given in class without the use of textbook or notes.
- o by taking and passing quiz given on the first day the topic is addressed in class without

the use of textbook or notes.

Criteria-Performance will be satisfactory when:

- o learner classifies transactions as to revenues and expenses.
- o learner describes the characteristics of a revenue.
- o learner describes the characteristics of an expense.
- o learner constructs a simple income statement, from a variety of financial transactions, in both single-step and multi-step formats.
- o learner prepares a statement of owner's equity for a corporation, partnership and a proprietorship.
- o learner shows how the three basic financial statements articulate with one another.

6. Distinguish the effects on financial statements between cash and accrual accounting.

Learning objectives

What you will learn as you master the competency:

- a. Characterize the problems of periodic measurement.
- b. Discriminate between cash and accrual bases of accounting.
- c. Prepare an income statement according to the principles of cash accounting.
- d. Prepare an income statement according to the principles of accrual accounting.
- e. Compare the two bases of economic measurement.

Performance Standards

Competence will be demonstrated:

- o as assignments are submitted by the due date indicated on the course schedule.
- o when learner is present for in-class group analysis and discussion and fulfills role assignment for that day.
- o by taking and passing exam taken on the day given in class without the use of textbook or notes.
- o by taking and passing quiz given on the first day the topic is addressed in class without the use of textbook or notes.

Criteria-Performance will be satisfactory when:

- o learner characterizes the problems of periodic measurement.
- o learner discriminates between cash and accrual bases of accounting.
- o learner prepares an income statement according to the principles of cash accounting.
- o learner prepares an income statement according to the principles of accrual accounting.
- o learner compares the two bases of economic measurement.

7. Illustrate the use of accounting methods in long-lived depreciable assets, merchandise inventory and cost of goods sold.

Learning objectives

What you will learn as you master the competency:

- a. Demonstrate the effects of different depreciation methods.

- b. Show how to determine gains and losses on the disposal of depreciable assets.
- c. Show how to track the physical flow and cost flow of inventory.
- d. Compare periodic and perpetual inventory systems.
- e. Differentiate the effects on inventory costs of the FIFO, LIFO, and average cost flow assumptions.

Performance Standards

Competence will be demonstrated:

- o as assignments are submitted by the due date indicated on the course schedule.
- o by taking and passing exam taken on the day given in class without the use of textbook or notes.
- o by taking and passing quiz given on the first day the topic is addressed in class without the use of textbook or notes.
- o when written paper includes points addressed in other class activities and a logical conclusion is drawn.

Criteria-Performance will be satisfactory when:

- o learner demonstrates the effects of difference depreciation methods.
- o learner shows how to determine gains and losses on the disposal of depreciable assets.
- o learner shows how to track the physical flow and cost flow of inventory.
- o learner compares periodic and perpetual inventory systems.
- o learner differentiates the effects on inventory costs of the FIFO, LIFO, and average cost flow assumptions.

8. Distinguish when and how to present the effects of unusual transactions on the financial statements.

Learning objectives

What you will learn as you master the competency:

- a. Classify a balance sheet according to the nature of its short- and long-term assets and liabilities.
- b. Order an income statement according to the nature of its recurring and nonrecurring items.

Performance Standards

Competence will be demonstrated:

- o as assignments are submitted by the due date indicated on the course schedule.
- o when learner is present for in-class group analysis and discussion and fulfills role assignment for that day.
- o by taking and passing exam on the day given in class without the use of textbook or notes.
- o by taking and passing quiz given on the first day the topic is addressed in class without the use of textbook or notes.

Criteria-Performance will be satisfactory when:

- o learner classifies a balance sheet according to the nature of its short- and long-term

- o assets and liabilities.
- o learner orders an income statement according to the nature of its recurring and nonrecurring items.

9. Categorize business transactions for, and prepare, a statement of cash flows.

Learning objectives

What you will learn as you master the competency:

- a. Break down business transactions into operating, investing, and financing activities.
- b. Construct a statement of cash flows, based on a typical set of business financial statements.

Performance Standards

Competence will be demonstrated:

- o as assignments are submitted by the due date indicated on the course schedule.
- o when learner is present for in-class group analysis and discussion and fulfills role assignment for that day.
- o by taking and passing exam taken on the day given in class without the use of textbook or notes.
- o by taking and passing quiz given on the first day the topic is addressed in class without the use of textbook or notes.

Criteria-Performance will be satisfactory when:

- o learner breaks down business transactions into operating, investing, and financing activities.
- o learner constructs a statement of cash flows, based on a typical set of business financial statements.

10. Analyze the financial statements of a typical business, according to the principles learned in the course.

Learning objectives

What you will learn as you master the competency:

- a. Ascertain the objectives of the various users of financial statements.
- b. Determine how to gather background economic, industry, and political information.
- c. Calculate the various ratios on a typical set of business financial statements.
- d. Analyze these ratios to determine the financial condition of the business.
- e. Explain the limitations of these ratios.

Performance Standards

Competence will be demonstrated:

- o as assignments are submitted by the due date indicated on the course schedule.
- o by taking and passing exam taken on the day given in class without the use of textbook or notes.
- o by taking and passing quiz given on the first day the topic is addressed in class without the use of textbook or notes.

- o financial statement analysis includes coverage of horizontal and vertical income statement analysis, calculation of the ten key ratios, and conclusions drawn as to the financial well-being of the business.

Criteria-Performance will be satisfactory when:

- o learner ascertains the objectives of the various users of financial statements.
- o learner determines how to gather background economic, industry, and political information.
- o learner calculates the various ratios on a typical set of business financial statements.
- o learner analyzes these ratios to determine the financial condition of the business.
- o learner explains the limitations of these ratios.

11. Prepare an overview of Enterprise Resource Planning (ERP).

Learning objectives

What you will learn as you master the competency:

- a. Prepare an overview of Enterprise Resource Planning (ERP).
- b. Classify components of supply chain.
- c. Describe components of value chain and business process.
- d. Characterize supply chain variations by business model.

Performance Standards

Competence will be demonstrated:

- o as assignments are submitted by the due date indicated on the course schedule.
- o when you are present for in-class group analysis and discussion and fulfill role assignment for that day.
- o by taking and passing exam taken on the day given in class without the use of textbook or notes.
- o by taking and passing quiz given on the first day the topic is addressed in class without the use of textbook or notes.

Criteria-Performance will be satisfactory when:

- o you prepare an overview of Enterprise Resource Planning (ERP).
- o you classify components of supply chain.
- o you describe components of value chain and business process.
- o you characterize supply chain variations by business model.

Types of Instruction

Classroom Presentation

Grading Information

Grading Rationale

One-hour tests and final exam-60%

Homework-15%

Team activities-15%

Post-test-10%

Total-100%

Grading Scale

A 90-100%

B 80-89%

C 70-79%

D 60-69%

F Below 60%