



ILLINOIS VALLEY COMMUNITY COLLEGE

COURSE OUTLINE

DIVISION: Natural Sciences and Business

COURSE: ACT 1210 Fundamentals of Accounting

Date: Fall 2022

Credit Hours: 3

Complete all that apply or mark "None" where appropriate:

Prerequisite(s): None

Enrollment by assessment or other measure? Yes No

If yes, please describe:

Corequisite(s): None

Pre- or Corequisite(s): None

Consent of Instructor: Yes No

Delivery Method: **Lecture** **3 Contact Hours** (1 contact = 1 credit hour)
 Seminar **0 Contact Hours** (1 contact = 1 credit hour)
 Lab **0 Contact Hours** (2-3 contact = 1 credit hour)
 Clinical **0 Contact Hours** (3 contact = 1 credit hour)
 Online
 Blended
 Virtual Class Meeting (VCM)

Offered: **Fall** **Spring** **Summer**

CATALOG DESCRIPTION and IAI NUMBER (if applicable):

Emphasis is placed on the procedural aspects of financial accounting for a sole proprietorship. The accrual basis is used, debit and credit is studied as it relates to the accounting equation. The entire accounting cycle is covered for both service and merchandising businesses, including adjustments, preparation of financial reports, and closing procedures. Also included are bank statement reconciliation, petty cash, special journals, and payroll accounting procedures. A practice set is included at the end of the

semester. Intended for students who plan to take only one semester of accounting or for those who need preparation before enrolling in ACT 1010.

ACCREDITATION STATEMENTS AND COURSE NOTES:

None

COURSE TOPICS AND CONTENT REQUIREMENTS:

1. Accounting: The Language of Business
2. Analyzing Business Transactions
3. Analyzing Business Transactions Using T Accounts
4. The General Journal and the General Ledger
5. Adjustments and the Worksheet
6. Closing Entries and the Postclosing Trial Balance
7. Accounting for Sales, Accounts Receivable, and Cash Receipts
8. Accounting for Purchases, Accounts Payable, and Cash Payments
9. Cash
10. Payroll Computations, Records, and Payment
11. Payroll Taxes, Deposits, and Reports
12. Accruals, Deferrals, and the Worksheet
13. Financial Statements and Closing Procedure

INSTRUCTIONAL METHODS:

1. Class discussion
2. Exercises and problems
3. Monopoly Project
4. Quizzes
5. Exams
6. Lecture

EVALUATION OF STUDENT ACHIEVEMENT:

1. Read and understand text
2. Class participation
3. Complete all homework assignments
4. Quizzes
5. Exams

INSTRUCTIONAL MATERIALS:

Textbooks

College Accounting: A Contemporary Approach, Haddock, Price, Farina

Resources

Inclusive Access for McGraw-Hill Connect

LEARNING OUTCOMES AND GOALS:

Institutional Learning Outcomes

- 1) Communication – to communicate effectively;
- 2) Inquiry – to apply critical, logical, creative, aesthetic, or quantitative analytical reasoning to formulate a judgement or conclusion;

- 3) Social Consciousness – to understand what it means to be a socially conscious person, locally and globally;
- 4) Responsibility – to recognize how personal choices affect self and society.

Course Outcomes and Competencies

1. Accounting: The Language of Business

- 1.1 Define Accounting
- 1.2 Identify and discuss career opportunities in accounting
- 1.3 Identify the users of financial information
- 1.4 Compare and contrast the three types of business entities
- 1.5 Describe the process used to develop generally accepted accounting principles

2. Analyzing Business Transactions

- 2.1 Record in equation form the financial effects of a business transaction
- 2.2 Define, identify, and understand the relationship between asset, liability, and owner's equity accounts
- 2.3 Analyze the effects of business transactions on a firm's assets, liabilities, and owner's equity and record these effects in accounting equation form
- 2.4 Prepare an income statement
- 2.5 Prepare a statement of owner's equity and a balance sheet

3. Analyzing Business Transactions Using T Accounts

- 3.1 Set up T accounts for assets, liabilities, and owner's equity, revenue and expenses
- 3.2 Analyze business transactions and enter them in the accounts
- 3.3 Determine the balance of an account
- 3.4 Prepare a trial balance from T accounts
- 3.5 Prepare an income statement, a statement of owner's equity, and a balance sheet
- 3.6 Develop a chart of accounts

4. The General Journal and the General Ledger

- 4.1 Record transactions in the general journal
- 4.2 Prepare compound journal entries
- 4.3 Post journal entries to general ledger accounts
- 4.4 Correct errors made in the journal or ledger

5. Adjustments and the Worksheet

- 5.1 Complete a trial balance on a worksheet
- 5.2 Prepare adjustments for unrecorded business transactions
- 5.3 Complete the worksheet
- 5.4 Prepare an income statement, statement of owner's equity, and balance sheet from the completed worksheet
- 5.5 Journalize and post the adjusting entries

6. Closing Entries and the Postclosing Trial Balance

- 6.1 Journalize and postclosing entries
- 6.2 Prepare a postclosing trial balance
- 6.3 Interpret financial statements

6.4 Review the steps in the accounting cycle

7. Accounting for Sales, Accounts Receivable, and Cash Receipts

- 7.1 Record sales on account, credit card sales, sales returns, sales allowances, and cash receipt transactions in a general journal
- 7.2 Compute trade discounts
- 7.3 Compute and record cash discounts on sales
- 7.4 Post from the general journal to the general ledger accounts and to the subsidiary ledger
- 7.5 Prepare a schedule of accounts receivable
- 7.6 Record the payment of sales taxes

8. Accounting for Purchases, Accounts Payable, and Cash Payments

- 8.1 Record purchases of merchandise on credit in a general journal
- 8.2 Compute the net delivered cost of purchases
- 8.3 Post from the general journal to the general ledger accounts
- 8.4 Post transactions to the accounts payable subsidiary ledger
- 8.5 Prepare a schedule of accounts payable
- 8.6 Demonstrate a knowledge of the procedures for effective internal control of purchases

9. Cash

- 9.1 Account for cash short or over
- 9.2 Demonstrate a knowledge of procedures for a petty cash fund
- 9.3 Demonstrate a knowledge of internal control routines for cash
- 9.4 Write a check, endorse checks, prepare a bank deposit slip, and maintain a checkbook balance
- 9.5 Reconcile the monthly bank statement
- 9.6 Record any adjusting entries required from the bank reconciliation
- 9.7 Understand how businesses use online banking to manage cash activities

10. Payroll Computations, Records, and Payment

- 10.1 Explain the major federal laws relating to employee earnings and withholding
- 10.2 Compute gross earnings of employees
- 10.3 Determine employee deductions for social security tax, Medicare tax, and income tax
- 10.4 Enter gross earnings, deductions, and net pay in the payroll register
- 10.5 Journalize payroll transactions in the general journal
- 10.6 Maintain an earnings record for each employee

11. Payroll Taxes, Deposits, and Reports

- 11.1 Explain how and when payroll taxes are paid to the government
- 11.2 Compute and record the employer's social security and Medicare taxes
- 11.3 Record deposit of social security, Medicare, and employee income taxes
- 11.4 Prepare an Employer's Quarterly Federal Tax Return, Form 941
- 11.5 Prepare Wage and Tax Statement (W-2) and Annual Transmittal of Wage and Tax Statements (Form W-3)
- 11.6 Compute and record liability for federal and state unemployment taxes and record payment of the taxes

11.7 Prepare an Employer's Federal Unemployment Tax Return, Form 940

11.8 Compute and record workers' compensation insurance premiums

12. Accruals, Deferrals, and the Worksheet

12.1 Determine the adjustment for merchandise inventory, and enter the adjustment on the worksheet

12.2 Compute adjustments for accrued and prepaid expense items, and enter the adjustment on the worksheet

12.3 Compute adjustments for accrued and deferred income items, and enter the adjustment on the worksheet

12.4 Complete a 10-column worksheet

13. Financial Statements and Closing Procedure

13.1 Prepare a classified income statement, statement of owner's equity, and classified balance sheet from the worksheet

13.2 Journalize and post the adjusting entries and closing entries

13.3 Prepare a postclosing trial balance and calculate various financial ratios

13.4 Journalize and post reversing entries