

# ACCT M110: FINANCIAL ACCOUNTING

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**Originator**

rbennington

**College**

Moorpark College

**Discipline (CB01A)**

ACCT - Accounting

**Course Number (CB01B)**

M110

**Course Title (CB02)**

Financial Accounting

**Banner/Short Title**

Financial Accounting

**Credit Type**

Credit

**Start Term**

Fall 2023

**Formerly**

ACCT M02A - Financial Accounting I

ACCT M02B - Financial Accounting II

**Catalog Course Description**

Examines financial accounting from both the user and preparer perspective, emphasizing public corporations. Explores accounting as an information system, why it is important and how it is used by investors, creditors and others in making decisions. Emphasizes recording and reporting of business transactions with a focus on the accounting cycle, the application of Generally Accepted Accounting Principles (GAAP), and the form and content of the basic financial statements. Includes issues relating to asset, liability, and equity valuation, revenue and expense recognition, cash flow, internal controls, ethics, and financial statement analysis.

**Taxonomy of Programs (TOP) Code (CB03)**

0502.00 - \*Accounting

**Course Credit Status (CB04)**

D (Credit - Degree Applicable)

**Course Transfer Status (CB05) (select one only)**

A (Transferable to both UC and CSU)

**Course Basic Skills Status (CB08)**

N - The Course is Not a Basic Skills Course

**SAM Priority Code (CB09)**

D - Possibly Occupational

**Course Cooperative Work Experience Education Status (CB10)**

N - Is Not Part of a Cooperative Work Experience Education Program

**Course Classification Status (CB11)**

Y - Credit Course

**Educational Assistance Class Instruction (Approved Special Class) (CB13)**

N - The Course is Not an Approved Special Class

**Course Prior to Transfer Level (CB21)**

Y - Not Applicable

**Course Noncredit Category (CB22)**

Y - Credit Course

**Funding Agency Category (CB23)**

Y - Not Applicable (Funding Not Used)

**Course Program Status (CB24)**

1 - Program Applicable

**General Education Status (CB25)**

Y - Not Applicable

**Support Course Status (CB26)**

N - Course is not a support course

**Field trips**

Will not be required

**Grading method**

(L) Letter Graded

**Alternate grading methods**

(O) Student Option- Letter/Pass

(P) Pass/No Pass Grading

**Does this course require an instructional materials fee?**

No

**Repeatable for Credit**

No

**Is this course part of a family?**

No

**Units and Hours**

**Carnegie Unit Override**

No

**In-Class**

**Lecture**

**Minimum Contact/In-Class Lecture Hours**

52.5

**Maximum Contact/In-Class Lecture Hours**

52.5

**Activity**

**Laboratory**

**Total in-Class**

**Total in-Class**

**Total Minimum Contact/In-Class Hours**

52.5

**Total Maximum Contact/In-Class Hours**

52.5

**Outside-of-Class****Internship/Cooperative Work Experience**

Paid

Unpaid

**Total Outside-of-Class****Total Outside-of-Class****Minimum Outside-of-Class Hours**

105

**Maximum Outside-of-Class Hours**

105

**Total Student Learning****Total Student Learning****Total Minimum Student Learning Hours**

157.5

**Total Maximum Student Learning Hours**

157.5

**Minimum Units (CB07)**

3

**Maximum Units (CB06)**

3

**Prerequisites**

Elementary Algebra (MATH M01) or placement as determined by college's multiple measures assessment process.

**Advisories on Recommended Preparation**

BUS M30 and ENGL M02

**Entrance Skills****Entrance Skills**

MATH M01

**Prerequisite Course Objectives**

MATH M01-simplify and evaluate algebraic expressions.

MATH M01-identify a one variable equation as either conditional, a contradiction, or an identity and test numbers to determine if they satisfy the equation.

MATH M01-solve first-degree equations in one variable and check the solution for the given equation.

MATH M01-solve applied problems involving first-degree equations in one variable.

MATH M01-solve first-degree inequalities in one variable.

MATH M01-find the x- and y-intercepts of the graph of a linear equation.

MATH M01-find the slope of the line passing through two given points and determine the slope of a line given its graph.

MATH M01-graph a linear equation.

MATH M01-determine the slope and y-intercept of a line given its equation.

MATH M01-write an equation for a line given two points or given one point and the slope.

MATH M01-solve systems of two linear equations in two variables using each of the following methods: graphing method, addition (elimination) method, and the substitution method.

MATH M01-solve application problems by solving a system of two linear equations in two variables.

MATH M01-simplify expressions involving integer exponents using the properties and rules of exponents including the definitions of zero and negative exponents.

MATH M01-convert a number written in standard notation to scientific notation and vice-versa.

MATH M01-determine the degree of a polynomial and simplify, add, subtract, multiply, and divide polynomials.

MATH M01-factor a polynomial using the following methods: greatest common factor, factor by grouping, difference of squares, and factor quadratic trinomials.  
 MATH M01-solve quadratic equations by factoring.  
 MATH M01-simplify rational expressions to lowest terms and multiply, divide, add, and subtract rational expressions.

## Requisite Justification

### Requisite Type

Prerequisite

### Requisite

MATH M01

### Requisite Description

Course not in a sequence

### Level of Scrutiny/Justification

Required communication/computation skill

### Requisite Type

Recommended Preparation

### Requisite

BUS M30

### Requisite Description

Course not in a sequence

### Level of Scrutiny/Justification

Content review

### Requisite Type

Recommended Preparation

### Requisite

ENGL M02

### Requisite Description

Course not in a sequence

### Level of Scrutiny/Justification

Required communication/computation skill

## Student Learning Outcomes (CSLOs)

**Upon satisfactory completion of the course, students will be able to:**

- 1 identify and account for the business transactions of a corporation
- 2 record adjusting and closing journal entries, and construct a complete set of financial statements, including an income statement, statement of retained earnings, and balance sheet.
- 3 prepare a bank reconciliation and record necessary journal entries

## Course Objectives

**Upon satisfactory completion of the course, students will be able to:**

- 1 explain the content, form and purpose of the basic financial statements (including footnotes) and the annual report and how they satisfy the information needs of investors, creditors, and others.
- 2 explain the nature and purpose of Generally Accepted Accounting Principles (GAAP) and the development of International Financial Reporting Standards (IFRS).

- |    |   |
|----|---|
| 3  | explain and apply the components of the conceptual framework for financial accounting and reporting, including the qualitative characteristics of accounting information, the assumptions underlying accounting, the basic principles of financial accounting, and the constraints and limitations on accounting information. |
| 4  | explain what a system is and how an accounting system is designed to satisfy the needs of specific businesses; summarize the purpose of a journal and ledger.   |
| 5  | apply transaction analysis, input transactions into the accounting system, process this input, and prepare and interpret the four basic financial statements, and relate this process to the accounting cycle.  |
| 6  | distinguish between cash basis and accrual basis accounting and their impact on the financial statements, including the revenue recognition and matching principles.  |
| 7  | relate operating activities to current asset and liability issues including measurement and reporting of cash and cash equivalents, receivables and bad debts, and inventory and cost of goods sold.  |
| 8  | explain the valuation and reporting of current liabilities, estimated liabilities, and contingencies.   |
| 9  | relate investing activities to long-term asset acquisition and disposal; distinguish between capital and revenue expenditures; identify issues and solve problems relating to asset use and cost allocation.  |
| 10 | relate financing activities to long-term liabilities and stockholders' equity issues including issuance, valuation, and retirement of debt (including time value of money), and issuance and repurchase of capital stock, and dividends.  |
| 11 | interpret company activity, profitability, and liquidity through selection and application of appropriate financial analysis tools.   |
| 12 | explain the nature and importance of operating, investing, and financing activities reported in the Statement of Cash Flows.  |
| 13 | explain the meaning of internal control, the nature of internal control procedures, and how they relate to management of resources and risk.  |
| 14 | identify ethical issues related to financial accounting and reporting and discuss strategies for addressing them.   |
| 15 | define and use accounting and business terminology.   |

## Course Content

### Lecture/Course Content

#### (20%) The financial accounting system:

1. Chart of accounts and elements of the financial statements
2. Nature of business transactions – internal and external
3. The accounting equation and transaction analysis – duality of effects and the double-entry system
4. The debit/credit framework, journals, and ledgers
5. The operating cycle and the accounting cycle including adjusting and closing entries
6. Responsibility for the accounting communication process
7. Preparation of classified financial statements

#### (10%) Financial statement analysis:

1. Ratio and percentage analysis
2. Tests of profitability
3. Tests of liquidity
4. Tests of solvency and equity position
5. Other miscellaneous tests and analytical considerations

#### (10%) The Statement of Cash Flows:

1. Classification of activities – operating, investing, financing
2. Relationship with the Balance Sheet and the Income Statement
3. Form and presentation

#### (15%) Financing activities and long-term liability and stockholders' equity issues:

1. Types of long-term liabilities
2. Valuation issues including present and future value concepts and applications
3. Issuance and reporting of bonds
4. Capital stock issuance
5. Treasury stock
6. Cash and stock dividends; stock splits
7. Retained earnings

#### (15%) Investing activities and long-term asset issues:

1. Property, plant, and equipment; natural resources; intangibles
2. Capital versus revenue expenditures – financial statement effects
3. Acquisition cost and cost allocation – depreciation, depletion, amortization
4. Asset disposal – gains and losses

#### (15%) Operating activities and current asset and liability issues:

1. Reporting and safeguarding cash – internal control
2. Measuring and reporting receivables – types of receivables and accounting for bad debts
3. Measuring and reporting inventory and cost of goods sold – inventory systems, valuation methods and their effects on the financial statements
4. Nature of current liabilities – actual, estimated, contingent
5. Accounts and notes payable, accrual and deferrals

**15%) Overview of accounting:**

1. Users of accounting information and their needs
2. Objectives of financial reporting and the need for Generally Accepted Accounting Principles
3. Qualitative characteristics of accounting – relevance, reliability, comparability, consistency
4. Assumptions underlying financial accounting – separate entity, unit of measure, continuity, time period
5. Constraints/limitations on accounting information – materiality, cost-benefit, conservatism
6. Form and content of the basic financial statements, footnotes, and annual reports
7. Basic principles of financial accounting – cost, revenue, matching, full-disclosure
8. Cash-basis and accrual-basis accounting
9. Types of business entities and forms of ownership
10. The accounting profession and ethical issues

**Laboratory or Activity Content**

n/a

**Methods of Evaluation**

**Which of these methods will students use to demonstrate proficiency in the subject matter of this course? (Check all that apply):**

- Written expression
- Problem solving exercises

**Methods of Evaluation may include, but are not limited to, the following typical classroom assessment techniques/required assignments (check as many as are deemed appropriate):**

- Essay exams
- Journals
- Objective exams
- Problem-solving exams
- Quizzes
- Reports/papers
- Other (specify)
- Classroom Discussion
- Projects
- Participation
- Reports/Papers/Journals

**Other**

- Individual and group projects

**Instructional Methodology**

**Specify the methods of instruction that may be employed in this course**

- Class activities
- Computer-aided presentations
- Distance Education
- Guest speakers
- Lecture
- Other (specify)

**Specify other method of instruction**

- Individual and group projects. Seminar

**Describe specific examples of the methods the instructor will use:**

Instructor will use PowerPoint presentation, class discussions, small group activity, and classroom demonstration to explain course content. In addition, the instructor will model problem solving, and how to interpret and analyze the verbal and graphical information provided in each problem. Furthermore, the instructor will help students develop a sense for evaluating the reasonableness of their computed answers to the problems.

## Representative Course Assignments

### Writing Assignments

- Record answers to discussion questions such as the content and format of a corporate annual report and GAAP requirements.
- Write an essay explaining the similarities and differences between cash dividends and stock dividends.
- Write an essay explaining the differences between operating, investing, and financing activities.
- Summarize and analyze journal and newspaper articles on topics such as ethical issues in financial accounting and reporting, and use of bonds as a source of funding.

### Critical Thinking Assignments

- Present an interpretation of company activity, profitability, and liquidity based on financial ratio analysis.
- Make a selection of appropriate present value or future value construct for solving various valuation problems.
- Discuss the interrelationship of the operating cycle and the accounting cycle and the related accrual/deferral process.
- Compare and contrast various inventory method.
- Discuss the interrelationship of the income statement, statement of stockholders' equity, and the balance sheet.

### Reading Assignments

- Reading textbook case studies to broaden the understanding of application of Accounting fundamentals.
- Reading a Business-related journal article, and/or periodicals to learn about Accounting Practices in the Business Environment. An example would be: reading a journal such as the Journal of Accountancy, Accounting Today, Harvard Business Review, or Forbes to develop a greater understanding of current Accounting trends.

### Problem-Solving and Other Assignments (if applicable)

- Demonstrate understanding of accrual accounting by recording end-of-period adjusting entries.
- Demonstrate financial analysis competency by performing horizontal and vertical analysis to corporate financial statements.

## Outside Assignments

### Representative Outside Assignments

- Research topics on the Internet or podcasts to learn about Accounting practices. An example would be: listening to a podcast profiling a successful entrepreneurial venture to understand the Accounting practices and fiscal management of a corporation.
- Review a 10-K annual report required by the U.S. Securities and Exchange Commission, to assess the financial performance of a company.

## Articulation

### C-ID Descriptor Number

ACCT 110

### Status

Approved

### Equivalent Courses at 4 year institutions

University	Course ID	Course Title	Units
CSU Channel Islands	ACCT 210	Financial Accounting	3
CSU Northridge	ACCT 220	Introduction to Financial Accounting	3
CSU Los Angeles	ACCT 2100	Principles of Financial Accounting	3

### Comparable Courses within the VCCCD

ACCT M02B - Financial Accounting II  
 ACCT R101 - Financial Accounting  
 ACCT R101H - Honors: Financial Accounting  
 BUS V01A - Financial Accounting

**District General Education**

**A. Natural Sciences**

**B. Social and Behavioral Sciences**

**C. Humanities**

**D. Language and Rationality**

**E. Health and Physical Education/Kinesiology**

**F. Ethnic Studies/Gender Studies**

**Course is CSU transferable**

Yes

**CSU Baccalaureate List effective term:**

F1995

**CSU GE-Breadth**

**Area A: English Language Communication and Critical Thinking**

**Area B: Scientific Inquiry and Quantitative Reasoning**

**Area C: Arts and Humanities**

**Area D: Social Sciences**

**Area E: Lifelong Learning and Self-Development**

**Area F: Ethnic Studies**

**CSU Graduation Requirement in U.S. History, Constitution and American Ideals:**

**UC TCA**

UC TCA

Approved

**IGETC**

**Area 1: English Communication**

**Area 2A: Mathematical Concepts & Quantitative Reasoning**

**Area 3: Arts and Humanities**

**Area 4: Social and Behavioral Sciences**

**Area 5: Physical and Biological Sciences**

**Area 6: Languages Other than English (LOTE)**

**Textbooks and Lab Manuals**

Resource Type

Textbook



**Classic Textbook**

Yes

**Description**Wild, John. *Financial Accounting: Information for Decisions*. 10<sup>th</sup> ed., McGraw Hill, 2021.**Resource Type**

Textbook

**Description**Libby, Robert, Patricia Libby, and Frank Hodge. *Financial Accounting*. 11th ed., McGraw-Hill, 2023.**Resource Type**

Textbook

**Classic Textbook**

No

**Description**Franklin, Mitchell, et al. *Principles of Accounting, Volume 1: Financial Accounting*. E-book, Open Stax, 2022. <https://openstax.org/details/books/principles-financial-accounting> (<https://openstax.org/details/books/principles-financial-accounting/>). Accessed 2 March 2023.**Library Resources****Assignments requiring library resources**

Possible research using the Library's print and online resources, particularly EBSCO Business Source Elite database.

**Sufficient Library Resources exist**

Yes

**Example of Assignments Requiring Library Resources**

Utilize library resources to research such topics as the convergence of Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS).

**Distance Education Addendum****Definitions****Distance Education Modalities**Hybrid (1%–50% online)  
Hybrid (51%–99% online)  
100% online**Faculty Certifications****Faculty assigned to teach Hybrid or Fully Online sections of this course will receive training in how to satisfy the Federal and state regulations governing regular effective/substantive contact for distance education. The training will include common elements in the district-supported learning management system (LMS), online teaching methods, regular effective/substantive contact, and best practices.**

Yes

**Faculty assigned to teach Hybrid or Fully Online sections of this course will meet with the EAC Alternate Media Specialist to ensure that the course content meets the required Federal and state accessibility standards for access by students with disabilities. Common areas for discussion include accessibility of PDF files, images, captioning of videos, Power Point presentations, math and scientific notation, and ensuring the use of style mark-up in Word documents.**

Yes

## Regular Effective/Substantive Contact

### Hybrid (1%–50% online) Modality:

Method of Instruction	Document typical activities or assignments for each method of instruction
Asynchronous Dialog (e.g., discussion board)	Instructor will post financial statements of a corporation and invite the students to calculate various ratios and explain their significance. Instructor may also require students to be present on-line for certain number of hours per week and have a dialogue with one another; for example, a student may post a question about solving a problem and other students will try to answer his/her question.
E-mail	Instructor will email students with announcements about the course or an upcoming event. Students in turn may email the instructor with their questions or concerns. Depending on the situation, the students may also email their assignments or projects directly to the instructor, instead of posting it on the class web page.
Face to Face (by student request; cannot be required)	Students will have the option to meet the instructor in his/her office on on campus in a classroom to work on problem solving exercises in the presence of the instructor to get one-on-one help from the instructor. Also, the students may want to meet the instructor to have a face-to-face discussion about an issue of concern.
Other DE (e.g., recorded lectures)	Instructor may record the lectures and post them for students to view within a specified time frame to be ready for the accompanying problem solving assignments. Students will upload their assignments to the course webpage to be graded by the instructor.
Synchronous Dialog (e.g., online chat)	Instructor may be available on a certain day or days of the week within a certain time frame to help students and answer their questions via an online chat. This would be the equivalent of on-line office hours. Instructor may also require students to be present on-line during certain hours of the week and have a dialogue with one another; for example, a student may post a question about solving a problem and other students will try to answer his/her question. This would be a live discussion session.
Telephone	Instructor may provide a phone number to the students where they can leave a voicemail and expect a call back within 24 hours.
Video Conferencing	Instructor may be available on a certain day or days of the week within a certain time frame to help students and answer their questions via live video conferencing. This would be the equivalent of on-line office hours. Also, the instructor may choose to present a lecture to the students via video conferencing.

### Hybrid (51%–99% online) Modality:

Method of Instruction	Document typical activities or assignments for each method of instruction
Asynchronous Dialog (e.g., discussion board)	Instructor will post financial statements of a corporation and invite the students to calculate various ratios and explain their significance. Instructor may also require students to be present on-line for certain number of hours per week and have a dialogue with one another; for example, a student may post a question about solving a problem and other students will try to answer his/her question.
E-mail	Instructor will email students with announcements about the course or an upcoming event. Students in turn may email the instructor with their questions or concerns. Depending on the situation, the students may also email their assignments or projects directly to the instructor, instead of posting it on the class web page.
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**100% online Modality:**

<b>Method of Instruction</b>	<b>Document typical activities or assignments for each method of instruction</b>
Asynchronous Dialog (e.g., discussion board)	Instructor will post financial statements of a corporation and invite the students to calculate various ratios and explain their significance. Instructor may also require students to be present on-line for certain number of hours per week and have a dialogue with one another; for example, a student may post a question about solving a problem and other students will try to answer his/her question.
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## Examinations

### Hybrid (1%–50% online) Modality

On campus  
Online

### Hybrid (51%–99% online) Modality

On campus  
Online

## Primary Minimum Qualification

ACCOUNTING

## Review and Approval Dates

### Department Chair

02/27/2023

### Dean

02/28/2023

### Technical Review

03/02/2023

### Curriculum Committee

03/07/2023

### DTRW-I

03/09/2023

### Curriculum Committee

MM/DD/YYYY

### Board

04/11/2023

### CCCCO

MM/DD/YYYY

### Control Number

CCC000564725

### DOE/accreditation approval date

MM/DD/YYYY