

Inver Hills Community College

ACCT 2101: Financial Accounting

A. COURSE DESCRIPTION

Credits: 4

Lecture Hours/Week: 4

Lab Hours/Week: 0

OJT Hours/Week: *.*

Prerequisites:

This course requires any of these eight prerequisite categories

1. MATH 0094 - Introductory Algebra
Or
2. MATH 0840 - Introductory Algebra (Minimum grade: 2.0 GPA Equivalent and Number of Years Valid: 2)
Or
3. MATH 0093 - Accelerated Combined MATH 0092/Math 0094
Or
4. A score of 76 on test Accuplacer Elementary Algebra
Or
5. A score of 22 on test ACT Math
Or
6. A score of 250 on test Accuplacer NG Quantitative Reasoning
Or
7. A score of 250 on test Accuplacer NG COMP Quantitative Reason
Or
8. A score of 1148 on test MN Comprehensive Assessment Math

Corequisites: BUS 1100

MnTC Goals: None

Focuses on basic accounting concepts with emphasis on how financial information is used in decision-making, primarily by creditors and investors. It focuses on what the financial statements reveal about the credit worthiness and financial performance of companies organized as corporations. Topics covered include preparation, analysis and interpretation of financial statements including income statements, balance sheet, statement of owner's equity, and cash flow statement. Additional topics include processing accounting information, end of period adjustments, closing entries, cash versus accrual accounting, receivables, inventory, income measurement, current and fixed assets and liabilities, stockholders' equity, ratio analysis, cash flow, merchandising operations, and internal control. Meets lower-division transfer requirements for accounting and business administration majors at most 4-year institutions. Require completion of Math 0840 or assessment into Math 0940 or higher; recommended concurrent enrollment in BUS 1100.

B. COURSE EFFECTIVE DATES: 08/01/2003 - Present

C. OUTLINE OF MAJOR CONTENT AREAS

1. Cash and receivables and investments. 10%
2. Cash flow statement. 10%
3. Current liabilities, non-current liabilities and time value of money. 10%
4. Financial statement analysis using horizontal, vertical, and ratio analysis methods. 10%
5. Introduction and interpretation of the basic financial statements, income statements, balance sheet, statement of stockholders' equity and statement of cash flow. 15%
6. Merchandising operations and inventory flow assumptions. 10%
7. Non-current assets. 10%
8. Processing accounting information and end of period adjusting and closing of accounts. 10%
9. Revenue recognition and income statement disclosures. 5%
10. Stockholders' equity. 10%

D. LEARNING OUTCOMES (General)

1. Understand the nature and purpose of generally accepted accounting principles (GAAP), the objective of financial reporting and related accounting assumptions and principles.
2. Understand the components of the accounting conceptual framework including accounting and business terminology.
3. Apply the accounting equation to analyze business transactions and understand the impact on financial statements.
4. Understand how internal controls are used to manage and control a firm's resources, minimize risk and ensure accurate reporting.
5. Understand and apply the information conveyed in each of the four basic financial statements and how this information may be used by management, investors, creditors and regulators.
6. Apply accounting practices to measure, classify and report current assets accounts receivable and bad debts, short-term investments, inventory and cost of goods sold, and prepaid expenses.
7. Apply accounting practices to measure, classify and report long-term assets including the acquisition, use, depreciation and disposal of long-lived assets.
8. Apply accounting practices to measure, classify and report current and long-term liabilities.
9. Apply issues relating to stockholders' equity including the issuance of stock, repurchase of stock and dividends.
10. Analyze how accounting transactions, the use of different valuation methods and management estimates can affect assets, liabilities and equity, earnings and other financial measures.
11. Apply understanding of how operating, investing and financing activities are reported in the statement of cash flows and analyze the impact these activities have on a firm's performance and solvency.
12. Understand and apply financial performance measures and ratio analysis to compare financial results against expectations, industry standards and competitors.

E. Minnesota Transfer Curriculum Goal Area(s) and Competencies

None

F. LEARNER OUTCOMES ASSESSMENT

As noted on course syllabus

G. SPECIAL INFORMATION

None noted