

**STATE UNIVERSITY OF NEW YORK
COLLEGE OF TECHNOLOGY
CANTON, NEW YORK**



COURSE OUTLINE

ACCT 305 –ACCOUNTING THEORY AND PRACTICE

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**SCHOOL OF BUSINESS & LIBERAL ARTS
BUSINESS DEPARTMENT
MAY 2015**

- A. **TITLE:** Accounting Theory and Practice
- B. **COURSE NUMBER:** ACCT 305
- C. **CREDIT HOURS:** (3)
- D. **WRITING INTENSIVE COURSE:** No
- E. **COURSE LENGTH:** 15 weeks
- F. **SEMESTER(S) OFFERED:** Fall/Spring
- G. **HOURS OF LECTURE, LABORATORY, RECITATION, TUTORIAL, ACTIVITY:**
3 lecture hours per week

H. CATALOG DESCRIPTION

This course is designed to assess and reinforce the skills necessary to enter the workplace as an entry-level employee in the field of Accounting. The students will maintain a complete set of books and related financial statements, through an accounting cycle, both manually and electronically. Students will use previously prepared financial statements to make informed judgments, solve problems, identify and apply ethical positions and effectively communicate this information to others both orally and in writing.

I. PRE-REQUISITES/CO-REQUISITES:

a. Intermediate Accounting I (ACCT 300), Introduction to Finance (FSMA 210), or permission of the Instructor.

J. GOALS (STUDENT LEARNING OUTCOMES):

By the end of this course, the student will be able to:

<i>Course Objective</i>	<i>Institutional SLO</i>
a. Compile and process accounting data manually and electronically.	1. Comm. Skills 2. Crit. Thinking 3. Prof. Competence 4. Inter-Intra Skills
b. Use accounting information to solve problems and make informed financial and managerial decision.	1. Comm. Skills 2. Crit. Thinking 3. Prof. Competence 4. Inter-Intra Skills
c. Apply ethical consideration in an accounting environment.	1. Comm. Skills 2. Crit. Thinking 3. Prof. Competence 4. Inter-Intra Skills
d. Design and create both oral and written communication to effectively convey hypothesis and conclusions.	1. Comm. Skills 2. Crit. Thinking 3. Prof. Competence 4. Inter-Intra Skills
e. Compare and contrast areas of specialization within a field of accounting.	1. Comm. Skills 2. Crit. Thinking 3. Prof. Competence

K. TEXTS:

As determined by the instructor.

L. REFERENCES:

- a. www.nysscpa.org New York State Society of Certified Public Accountants.
- b. www.aicpa.org American Institute of Certified Public Accountants.

M. EQUIPMENT: Technology enhanced classroom

N. GRADING METHOD: A-F

O. MEASUREMENT CRITERIA/METHODS:

- Exams
- Quizzes
- Papers
- Participation
- And as determined by Instructor

P. DETAILED COURSE OUTLINE:

I. PROCESSING ACCOUNTING DATA MANUALLY

- A. Create and Maintain a Chart of Accounts in a General Ledger System
- B. Journalize Business Transactions
 1. Use Specialty Journals to Summarize Transactions
 2. Post Journal Entries to Appropriate Accounts
- C. Create and Maintain Subsidiary Ledgers
- D. Create a Worksheet with Opening Trial Balance
- E. Journalize End of Period Adjustments
- F. Post Adjusting Journal Entries to the Worksheet and Appropriate General Ledger Accounts
- G. Extend Worksheet Totals to Income Statement and Balance Sheet Columns
- H. Prepare Reconciliation of Subsidiary Ledgers to Control Accounts
- I. Prepare a Complete Set of Financial Statements
 1. Balance Sheet
 2. Income Statement
 3. Statement of Owner's Equity
 4. Statement of Cash Flows
- J. Journalize Closing Entries
- K. Post Closing Entries to the Worksheet and Appropriate General Ledger Accounts
- L. Prepare a Post Closing Trial Balance

II. PROCESSING ACCOUNTING DATA ELECTRONICALLY

- A. Create and Maintain a Chart of Accounts in a General Ledger System

- B. Journalize Business Transactions
 - 1. Use Specialty Journals to Summarize Transactions
- C. Post Journal Entries to Appropriate Accounts
- D. Create and Maintain Subsidiary Ledgers
- E. Journalize End of Period Adjustments
- F. Post Adjusting Journal Entries to the Appropriate General Ledger Accounts
- G. Prepare Reconciliation of Subsidiary Ledgers to Control Accounts
- H. Prepare a Complete Set of Financial Statements
 - 5. Balance Sheet
 - 6. Income Statement
 - 7. Statement of Owner's Equity
 - 8. Statement of Cash Flows
- I. Journalize Closing Entries
- J. Post Closing Entries to the Appropriate General Ledger Accounts
- K. Prepare a Post Closing Trial Balance

III. DETERMINATION AND USE OF RELEVANT DATA IN FINANCIAL AND MANAGERIAL DECISIONS

- A. Assess Financial Position, Profitability and Cash Position Using Ratios and Comparisons
 - 1. Return on Equity
 - a. Profit Margin
 - b. Asset Turnover
 - c. Financial Leverage
 - 2. Liquidity Ratios
 - a. Current Ratio
 - b. Quick Ratio
 - c. Defensive Interval
 - d. Operating Cash Flow to Current Debt Obligations
 - 3. Asset Management Ratios
 - a. Accounts Receivable Turnover
 - b. Days in Accounts Receivable
 - c. Inventory Turnover
 - d. Days in Inventory
 - e. Operating Cycle
 - f. Capital Turnover
 - 4. Profitability Ratios
 - a. Operating Income to Sales
 - b. Return on Assets
 - 5. Leverage Ratios
 - a. Debt to Equity
 - b. Debt Ratio
 - c. Times Interest Earned
 - 6. Market Value Ratios
 - a. Earnings Per Share

- b. Price Earnings Ratio
 - c. Book Value Per Share
 - d. Dividend Yield
 - 7. Financial Statement Analysis
 - a. Vertical Analysis
 - b. Horizontal Analysis
- B. Analyze and Assess the Effects of Debt and Equity Financing
 - 1. Notes
 - 2. Bonds
 - 3. Leases
 - 4. Stocks
- C. Evaluate Data and Prepare Cost-Volume-Profit and Breakeven Analysis

IV. TECHNICAL RESEARCH AND WRITING FOR ACCOUNTANTS

- A. Print Research Sources by Category
- B. Electronic Research Sources by Category
- C. Technical Writing Guides for Accountants

V. STEPS IN EFFECTIVE CASE ANALYSIS

- A. Step 1
 - 1. In General, Determine Who, What, How, Where and When Regarding the Facts in a Case
 - 2. In Detail, Identify the Places, Persons, Activities and Contexts of the Situation
- B. Step 2
 - 1. List All Indicators That Something is Not as Expected or as Desired
 - 2. Ensure That Symptoms are Not Assumed to be the Problem
- C. Step 3
 - 1. Identify Critical Statements by Major Parties
 - 2. List All Goals of the Major Parties That exist or can be Reasonably Inferred
- D. Step 4
 - 1. Decide Which Ideas, Models and Theories Seem Useful
 - 2. Apply These Conceptual Tools to the Situation
- E. Step 5
 - 1. Identify Predicaments / Goal Inconsistencies
 - 2. Identify Discrepancies Between Goals and Performance
 - 3. Prioritize Problems regarding timing, Importance, etc.
- F. Step 6
 - 1. Specify and Prioritize the Criteria Used to

- Choose Action Alternatives
- 2. Develop Feasible Action Alternatives
- 3. Examine the Probable Consequences of Action Alternatives
- 4. Select a Course of Action
- 5. Design an Implementation Plan or Schedule
- 6. Create a Plan for Assessing the Action to be Implemented

VI. PROFESSIONAL ETHICS IN AN ACCOUNTING ENVIRONMENT

- A. AICPA Code of Conduct
- B. Current Substantiated Cases of Misconduct in the Industry

VII. SPECIALIZATION WITHIN THE FIELD OF ACCOUNTING

- A. CPA
- B. CMA
- C. CIA
- D. CISA
- E. CFE
- F. CBA
- G. CTA
- H. CFM
- I. Tax Accounting
- J. Government Accounting
- K. Not for Profit Accounting

Q. **LABORATORY OUTLINE:** N/A