

University College of the Cayman Islands

ASSOCIATE DEGREE SYLLABUS

**COURSE NAME: INTRODUCTION TO
ACCOUNTING**

COURSE #: AC 121

COURSE DESCRIPTION

This course presents a comprehensive and practical approach to modern-day principles of accounting. It focuses largely on accounting for external reporting and the generation of financial information necessary for managerial decision-making. Introduction to Accounting gives students the opportunity to master accounting concepts and provides a firm foundation for further studies. This course introduces students to the conceptual structure of financial accounting in an effort to develop their ability to read, understand, and interpret the general purpose of financial statements (balance sheet, income statement, statement of cash flows, and retained earnings statement) reported to investors and creditors of large corporate business entities.

Credits: 3

Prerequisite: NONE

COURSE OBJECTIVES

1. To be able to define accounting and explain its purpose.
2. To be able to process a full range of financial transactions using double entry accounting.
3. To understand and apply all major aspects of the accounting cycle including the preparation of year-end financial statements, understand and interpret actual financial statements of real-world businesses.

COURSE CONTENT

I Evolution of Financial Accounting
Historical Perspective; Double-entry system; Corporate Organizations; Public Accounting.

Accounting Concepts and Principles
Accounting as and Information System; Profession of Accounting; Business Transactions; Balance Sheet Equation (Assets= Liabilities + Owners' Equity); Basic Transaction Analysis; Introduction to Financial Statements

II - IV Analyzing Transactions
Purpose/Usefulness/Characteristics of an Account; Chart of Accounts;

Analyzing and Summarizing Transaction; Trial Balance; Correction of Errors; Materiality Concept

The Matching Concept and Adjusting Entries

The Matching Concept; Nature of the Adjusting Process; Recording Adjusting Entries; Introduction to Work Sheets

- V** **Completing the Accounting Cycle**
Detailed Work Sheet; Financial Statements; Journalizing and Posting Adjusting Entries; Nature of the Closing Process; Fiscal Year; Review of Accounting Cycle
- VI** **Accounting for Merchandising Enterprises**
Income Statements for Merchandising Enterprises; Accounting for Purchases, Sales and Transportation Costs; Chart of Accounts, Work Sheet, and Financial Statements for Merchandising Enterprises
- VII** **Accounting Systems for Cash**
Internal Control Systems for Cash Receipts and Cash Payments; Bank Reconciliations; Presentation of Cash on the Balance Sheet; Electronic Funds Transfer
- VIII-IX** **Accounts and Notes Receivable**
Classification of Receivables; Internal Control for Receivables; Characteristics of Notes Receivable; Accounting for Notes Receivable; Uncollectible Receivables; Allowance Method of Accounting for Uncollectible Accounts Receivable
- X- XI** **Inventories**
Internal Control of Inventories; Inventory Costing Methods Under Periodic and Perpetual Systems; Comparison of Inventory Costing Methods; Presentation of Merchandise Inventory on the Balance Sheet; Estimating Inventory Cost
- XII-XIII** **Plant Assets and Intangible Assets**
Cost of Acquiring Plant Assets; Nature of Depreciation; Accounting for Depreciation; Capital and Revenue Expenditures; Disposal of Plant Assets; Internal Control of Plant Assets; Depletion; Intangible Assets; Presentation of Plant Assets and Intangible Assets on the Balance Sheet.
- XIV-XV** **Current Liabilities**
Short-term Notes Payable; Product Warranty Liabilities

ASSESSMENT

Classwork	-	20 %
Mid-Semester Examination	-	20 %
Final Examination	-	60 %
Total		100 %

REQUIRED TEXTBOOK (S)

The following textbook(s) will be used for this course:

- I. Warren, Reeve and Fess, *Financial and Managerial Accounting 7th Edition*, South Western**