

BUS 0202 - FINANCIAL ACCOUNTING II

Catalog Description

Formerly known as BUS 2

Prerequisite: Completion of BUS 201 with grade of "C" or better

Hours: 54 lecture

Description: Concepts of accounts receivable and how to account for bad debts and depreciation of assets. Study of current and long term liabilities and how to account for them, including accounts payable, payroll taxes, mortgages, and bonds. Covers the concept of equity including stocks and dividends. Financial ratio analysis tools also help students quickly assess the overall financial health of a business. (combined with BUS 201, C-ID ACCT 110) (CSU, UC)

Course Student Learning Outcomes

- CSLO #1: Analyze the transactions of accounts receivable and long term assets.
- CSLO #2: Distinguish the financing options of the corporate form of business.
- CSLO #3: Synthesize overall knowledge of accounting through a comprehensive financial statement analysis.

Effective Term

Fall 2020

Course Type

Credit - Degree-applicable

Contact Hours

54

Outside of Class Hours

108

Total Student Learning Hours

162

Course Objectives

Through written activities and computations, the student will:

1. Explain the nature of current assets and related issues, including the measurement and reporting of cash and cash equivalents, receivables and bad debts, and inventory and cost of goods sold;
2. Explain the valuation and reporting of current liabilities, estimated liabilities, and other contingencies;
3. Identify and illustrate issues relating to long-term asset acquisition, use, cost allocation, and disposal;
4. Distinguish between capital and revenue expenditures;
5. Identify and illustrate issues relating to long-term liabilities, including issuance, valuation, and retirement of debt;(including the time value of money)
6. Identify and illustrate issues relating to stockholders' equity, including issuance, repurchase of capital stock, and dividends;

7. Explain the importance of operating, investing and financing activities reported in the Statement of Cash Flows;
8. Interpret company activity, profitability, liquidity and solvency through selection and application of appropriate financial analysis tools; and
9. Identify the ethical implications inherent in financial reporting and be able to apply strategies for addressing them.

General Education Information

- Approved College Associate Degree GE Applicability
- CSU GE Applicability (Recommended-requires CSU approval)
- Cal-GETC Applicability (Recommended - Requires External Approval)
- IGETC Applicability (Recommended-requires CSU/UC approval)

Articulation Information

Methods of Evaluation

- Classroom Discussions
 - Example: Find a news article about a publicly traded company. Be prepared to discuss what happened with the company (positive or negative) and how this news influenced the company's stock price. Students will present their article in class and the instructor will grade based on completion, relevance of the article, and how they engaged the class in discussion.
- Essay Examinations
 - Example: Students will describe the advantages and disadvantages of the corporate structure for a business. The instructor will read each students' essay and provide feedback for review in class.
- Objective Examinations
 - Example: Using multiple choice questions, the student will respond to topics about issuing common stock and purchasing treasury stock. Standard Grading. Example Question: When treasury stock is reissued, it becomes a) authorized stock b) preferred stock c) owners stock d) common stock
- Problem Solving Examinations
 - Example: Given a list of transactions, journalize cash receipts for accounts receivable, write off bad debt, and estimate the allowance for bad debt at the end of the period. The instructor will grade each students' statement and provide feedback for review in class.
- Projects
 - Example: Prepare a comprehensive financial statement evaluation on a company of your choosing. Utilize the horizontal, vertical, and ratio analysis tools you learned in the class to determine the financial standing of the company. The instructor will grade each students' project and provide feedback through the course management system using a standard rubric.

Repeatable

No

Methods of Instruction

- Lecture/Discussion
- Distance Learning

Lecture:

1. Instructor lectures on Bond Amortization.
2. Instructor guides a group discussion on why companies issue bonds at a discount or a premium.
3. Prepare the journal entries to write off a bad debt using the direct write off method and the allowance method.
4. Instructor sets up and monitors in-class group problems, including ratio analysis activities with a given set of company financial statements.

Distance Learning

1. Using the publisher's software, prepare a mortgage amortization table. Instructor will evaluate work online.
2. Using the class discussion board, students discuss penalties for corporate financial statement fraud before and after Sarbanes Oxley. Instructor will monitor discussions and add comments where appropriate.

Typical Out of Class Assignments

Reading Assignments

1. Read the chapter that covers accounting for accounts receivable and bad debts. Be ready to discuss the impact of bad debts on the balance sheet and income statement.
2. Read the chapter that covers long-term assets and depreciation. Be prepared to discuss the different methods of depreciation including straight-line, units of production, and declining balance.

Writing, Problem Solving or Performance

1. Based on the exercise assigned at the end of the chapter, prepare in written form the journal entries required to record the issuance of common and preferred stock.
2. Given a set of financial statements, calculate liquidity, solvency, and profitability ratios.
3. Select a public company and use the Internet to obtain the company's financial statements. Use the ratios described in the reading to analyze your company's financial performance and financial condition. Using ratios to support your answer, determine whether the company's financial performance has improved or deteriorated over the last three years.

Other (Term projects, research papers, portfolios, etc.)

Prepare a comprehensive financial statement evaluation on a company of your choosing. Utilize the horizontal, vertical, and ratio analysis tools you learned in the class to determine the financial standing of the company.

Required Materials

- Financial and Managerial Accounting: The Financial Chapters
 - Author: Miller-Nobles
 - Publisher: Pearson
 - Publication Date: 2016
 - Text Edition: 5th
 - Classic Textbook?: No
 - OER Link:
 - OER:

Other materials and-or supplies required of students that contribute to the cost of the course.