

Sault College
of Applied Arts and Technology
sault ste. marie

Course Outline

ACCOUNTING I

ACC 100-5

revised September 1978

ACCOUNTING I
ACC 100

TEXT: Basic Accounting - 2nd Cdn edition, Dauderis, Slavin & Reynolds

Practice Set - Village Hardware Store

Supplies: bookkeeping paper

GENERAL OBJECTIVES:

1. Students will understand the purposes of accounting, the nature of an accountant's work and an appreciation of the professional aspects of accounting.
2. Students will understand the basic accounting statements and their purposes.
3. Students will understand and be able to work with the basic books and records used in both service and merchandising businesses.
4. Students will be able to use the bookkeeping techniques required for matching revenues and expenditures and for assigning revenues and expenditures to their correct time periods.
5. Students will be introduced to Balance Sheet classification by the study of the account "Cash" and will also be introduced to accounting controls by studying "Cash Control."
6. This course will prepare the student for additional and in-depth accounting studies.
7. Students will become familiar with the "accounting cycle."

STUDENT EVALUATION:

During the semester students will write 4 one-period tests. Each of these tests represent 10% of the students final grade. There will be no re-write of these tests. Also, during the semester students will complete a practice set which will represent another 10% of the final grade. At the conclusion of the semester a 2 hour final examination will be held and will be worth 50% of the students' final grade.

On December ¹⁹~~21~~ grades will be assigned as follows:

A	80-100
B	70-79
C	55-69
I	40-54
R	under 40

Students receiving an "I" grade will attend make-up period and write a 2 hour final exam at the end of the make-up. Any mark over 55 on the make-up exam will earn the student a final grade of C.

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The course:

Course objectives listed in testing sequence.

Test 1 - Students will demonstrate knowledge of and/or proficiency in:

1. The purpose and nature of accounting.
2. The purpose and nature of the 'Balance Sheet.'
3. The components of a balance sheet and the accounting equation.
4. Ledger accounts and debit and credit rules.
5. The general journal and its relation to ledger accounts.
6. The purpose and nature of the 'Income Statement.'
7. Ledger accounts related to the income statement.

Test 2 - Students will demonstrate knowledge of and/or proficiency in:

1. adjusting entries required to complete and correct financial information.
2. closing entries
3. the work sheet
4. accounts used in a merchandising business
5. merchandising financial statements
6. classification in financial statements

(Work on an Accounting Practice Set will begin after Test 2)

Test 3 - Students will demonstrate knowledge of and/or proficiency in:

1. specialized journals
2. subsidiary ledgers
3. payroll procedures
4. voucher system
5. presentation of "cash" on the balance sheet
6. basic cash controls
7. bank reconciliations
8. petty cash systems

Test 4 - Students will demonstrate knowledge of and/or proficiency in:

1. accounting for receivables and bad debts
2. evaluating receivables
3. accounting for notes
4. determining the cost of inventory when purchase prices vary
5. determining the effect of inventory errors on financial statements
6. the lower-of-cost-or-replacement-cost rule
7. methods of estimating inventory

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SPECIFIC OBJECTIVES

Unit 1

The student will know:

1. the purpose of accounting
2. the use of accounting information by investors
3. the use of accounting information by management
4. " " " " " by creditors
5. the professional accounting bodies in Canada
6. the generally accepted accounting concepts
7. the generally accepted accounting principles
8. the accounting equation
9. the purpose of the balance sheet
10. the classification of assets
11. the classification of liabilities
12. the types of business ownerships
13. the rules for debit and credit
14. the purpose of the trial balance
15. the procedure for journalizing
16. the procedure for posting
17. the types of ledger accounts
18. the purposes of the journal and ledger
19. the rules for recording revenues and expenses
20. the distinction between revenue expenditures and capital expenditures
21. the purpose of dividends
22. the accounting cycle
23. the preparation of the income statement
24. the procedure for closing
25. the purpose of a chart of accounts

Unit 2

The student will know:

1. the reason for the accrual method of accounting
2. the need for adjustments
3. adjustments for cost apportionments
4. adjustments for revenue apportionments
5. adjustments for accrued expenses
6. adjustments for accrued revenues
7. the preparation of the work sheet
8. the preparation of financial statements from the work sheet
9. the recording and posting of adjusting entries
10. the accounts used by a merchandising business
11. the procedure used to calculate the cost of goods sold
12. the systems used for determining inventory quantities
13. the classification of the expenses on the income statement
14. the closing procedure for a merchandising business
15. the purpose of interim financial statements

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Unit 2 cont'd.

16. the purchases discount lost method
17. the meaning of F.O.B. destination
18. the meaning of F.O.B. shipping point
19. the use of trade discounts in business
20. the alternative income statement presentations of purchase discounts and sales discounts

Unit 3

The student will know:

1. the need for various accounting systems of recording, classifying and summarizing
2. the source document forms
3. the purpose of controlling accounts
4. the use of subsidiary ledgers
5. posting to the controlling and subsidiary accounts
6. the design and purpose of a sales journal
7. the design and purpose of a purchases journal
8. the design and purpose of a cash receipts journal
9. the design and purpose of a cash payments journal
10. other special journals that may be used in an accounting system
11. the procedure of direct posting from source documents
12. the uses of data processing and bookkeeping machines in accounting
13. the purpose and advantages of the voucher system
14. the use of the voucher register and the cheque register
15. procedures for internal control of cash
16. the procedure and purpose of the petty cash fund
17. the procedure for reconciling the bank statement
18. the journal entries required to correct the cash account
19. internal control procedures for payroll accounting
20. the various payroll deductions
21. the journal entries for recording payroll data
22. the adjustments required to recognize unpaid wages and salaries at the end of the accounting period
23. the one-write system of recording the payroll
24. the remitting of payroll taxes to the various government departments
25. the use of the employee's earnings record information

cont'd. . .

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Unit 4

The student will know:

1. internal control procedures associated with customer accounts
2. various methods of estimating losses resulting from uncollectible customer accounts
3. the use of the allowance account for estimated bad debts
4. the journal entry adjusting the allowance account at the end of a fiscal period
5. the procedure for aging customer accounts
6. the journal entries for writing of bad debts and for recovery of bad debts previously written off.
7. journal entries for correcting errors in the allowance account
8. the features of promissory notes
9. recording the receipt of a promissory note
10. recording the payment of a promissory note, including interest
11. journal entries involved when a customer's note is discounted
12. recording the entries when a customer's note is dishonoured
13. the meaning of a contingent liability
14. the procedure involved in discounting a note payable
15. the techniques of assigning costs to physical quantities on hand
16. the basis for inventory valuation
17. the two systems of determining inventory quantities
18. the procedure for inventory counting
19. the four methods of costing inventories
20. the lower-of-cost and market rule
21. the inventory record card used with the perpetual inventory system
22. the gross margin method of estimating inventories for interim financial statements
23. the retail method of estimating inventories
24. inventory control procedures
25. the principle of consistency and full disclosure associated with inventories

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complete
Jun 25
taken to AV
Jun 25

Textbook: Fundamental Accounting Principles
Pyle, White and Zin
Irwin - Sorsey Limited

Practice Set: Village Hardware Store

Reference Texts: Accounting - The basis for
business decisions
Theirs, et al
McGraw-Hill Ryerson

Basic Accounting
Dauderis et al
Holt Rinehart & Winston

Supplies Working papers; chapters 1 to 14

General Objective
etc
Same