

Credit Hours: 3

Contact Hours: This is a 3-credit course, offered in accelerated format. This means that 16 weeks of material is covered in 8 weeks. The exact number of hours per week that you can expect to spend on each course will vary based upon the weekly coursework, as well as your study style and preferences. You should plan to spend 14-20 hours per week in each course reading material, interacting on the discussion boards, writing papers, completing projects, and doing research.

COURSE DESCRIPTION AND OUTCOMES

COURSE DESCRIPTION:

This course is an introduction to financial accounting with a primary focus on the corporate form of business. Students will be introduced to accounting terms and concepts, basic accounting procedures and the development of the four basic financial statements. The accounting cycle, the double-entry bookkeeping system, and procedures for accrual-based accounting will be emphasized. This will immerse the student into the application of Generally Accepted Accounting Principles (GAAP). We will be looking at it from the perspective of business intelligence and data analytics.

All business persons need a basic understanding of accounting terminology and concepts to carry out their responsibilities effectively and with ethical considerations. The relationships among assets, liabilities, stockholders' equity, revenues, and expenses are key concepts which successful managers must know and understand. Basic accounting serves as a foundation for all other business courses.

Recommended Prior Course: MTH122 College Algebra

COURSE OVERVIEW:

[Provide an overview of the course 1-2 paragraphs in length. This will typically provide a touch more information and be written in a more personable style]

COURSE LEARNING OUTCOMES:

1. Apply the accounting equation to prepare basic financial statements used in evaluating organizational performance.
2. Analyze the steps of the accounting cycle to determine the effect of operating transactions on the balance sheet and the income statement using business intelligence (BI).
3. Demonstrate understanding of concepts and practices involved in accrual accounting.
4. Examine internal controls principles and ethical consideration in accounting for cash under GAAP.
5. Evaluate operating transactions and accounting issues related to inventories, receivables, long-term assets, liabilities, and stockholders' equity under GAAP.

PARTICIPATION & ATTENDANCE

Prompt and consistent attendance in your online courses is essential for your success at CSU-Global Campus. Failure to verify your attendance within the first 7 days of this course may result in your withdrawal. If for some reason you would like to drop a course, please contact your advisor.

Online classes have deadlines, assignments, and participation requirements just like on-campus classes. Budget your time carefully and keep an open line of communication with your instructor. If you are having technical problems, problems with your assignments, or other problems that are impeding your progress, let your instructor know as soon as possible.

COURSE MATERIALS

Textbook Information is located in the CSU-Global Booklist on the Student Portal.

COURSE SCHEDULE

Due Dates

The Academic Week at CSU-Global begins on Monday and ends the following Sunday.

- **Discussion Boards:** The original post must be completed by Thursday at 11:59 p.m. MT and peer responses posted by Sunday 11:59 p.m. MT. Late posts may not be awarded points.
- **Opening Exercises:** Take the Opening Exercise before reading each week's content to see which areas you will need to focus on. You may take these exercises as many times as you need. The Opening Exercises will not affect your final grade.
- **Mastery Exercises:** Students may access and retake Mastery Exercises through the last day of class until they achieve the scores they desire.
- **Critical Thinking:** Assignments are due Sunday at 11:59 p.m. MT.
- **Live Classroom:** Although participation is not required, Live Classroom sessions are held during Week 3 and Week 6. There are two total sessions.

WEEKLY READING AND ASSIGNMENT DETAILS

MODULE 1

Readings

- Read and view materials presented in the module: Fundamentals of Accounting.

Opening Exercise (0 points)

Discussion (25 points)

Mastery Exercise (10 points)

Critical Thinking (60 points)

Option #1: Using the Accounting Equation to Analyze Transactions

Download the template required for this assignment which is located in the Module 1 to complete your assignment.

Second National Bank just approved a loan for Joey John's Inc. to start a home gym design business. Joey John's Inc. is ready to start the business by renting a small office facility, purchasing equipment, hiring sales, design,

and administrative help, and beginning to provide services. During March, Joey John's first month of business, the following transactions occurred:

- a. Joey John's, Inc. signed a promissory note at the bank and received \$50,000 cash.
- b. Joey John's issued shares of capital stock to its shareholders to raise another \$75,000 cash.
- c. Joey John's purchased training and design equipment in the amount of \$35,000 cash.
- d. Joey John's purchased supplies worth \$500 on account. These supplies are expected to last 6 months.
- e. Joey John's hired Joshua Ramirez to assist with design and sales on a part-time basis. He will be paid a salary of \$1,000 per month for his work.
- f. During the first month, Joey John's completed design work on its first two facilities, one for P. Christopher, and the other for Josephine Johnson.
- g. Joey John's completed the design work for P. Christopher and sent him a bill for \$1,250.
- h. Joey John's completed the design work for Ms. Johnson and sent her a bill for \$750.
- i. Joey John's collected half of the money (\$625) in cash from P. Christopher, with a promise to pay the additional amount next month.
- j. Joey John's paid Joshua \$1,000 cash for his first month of service.
- k. Joey John's received \$500 cash in advance to work on a design project for a local gym. Work on the site will not begin until August.
- l. Joey John's paid rent of \$500 in cash.

Required: Using the Excel template, complete the following activities:

1. Analyze each transaction's effect using the accounting equation, if needed.
2. Provide a written explanation (one sentence) on the effect of the transaction on the accounting equation.

Review the grading rubric to understand how you will be graded on this assignment. Reach out to your instructor if you have questions about the assignment.

Option #2: Analyzing the Effect of Transactions Using the Accounting Equation

Download the template required for this assignment which is located in the Module 1 to complete your assignment.

SeverCo Construction began operations in March and completed the following transactions during that first month of operations.

March	1	SeverCo's stockholders invested \$30,000 cash in the company.
	2	The company purchased \$25,000 in construction equipment. It paid \$5,000 in cash and signed a note payable promising to pay the \$20,000 over the next three years.
	2	The company rented office space and paid \$1,000 cash for the March rent.
	6	The company bought office supplies in the amount of \$750 for use over the next two months.

	7	The company completed a landscaping job for a customer on credit in the amount of \$7,500.
	8	The company purchased a \$2,500 riding lawn mower for the business on credit.
	9	The company completed landscaping work for additional customers in the amount of \$10,000, immediately collecting cash.
	15	The company paid its landscaping and administrative employees' salaries of \$3,750 for the first half of the month.
	17	The company installed a new pond and waterfall feature for a customer and immediately collected \$3,500.
	20	The company received \$7,500 in payments from the customers billed on March 7.
	28	The company paid \$1,000 on the lawn mower purchased on March 8. It will pay the remaining balance in May.
	31	The company paid its employees' salaries of \$3,750 for the second half of the month.
	31	The company paid a vendor \$2,500 for landscaping supplies purchased and used during March.
	31	The company paid \$325 cash for this month's utility bill.

Required: Using the Excel Template, complete the following:

Show the effects of the transactions on the accounts using the accounting equation. Record increases and decreases in the appropriate columns in the table.

Do not determine new account balances after each transaction. Determine the final total for each account and verify that the equation is in balance.

Review the grading rubric to understand how you will be graded on this assignment. Reach out to your instructor if you have questions about the assignment.

Portfolio Reminder (0 points)

Be sure to review the Portfolio Project description and Portfolio Project rubric in Module 8 for details.

MODULE 2

Readings

- Read and view materials presented in the module: Double Entry System and Financial Statements.

Opening Exercise (0 points)

Discussion (25 points)

Mastery Exercise (10 points)

Critical Thinking (60 points)

Option #1: The Four Steps in the Accounting Process

Download the template required for this assignment which is located in the Module 2 to complete your assignment.

You are operating your accounting firm. Your first client had the following transactions in April 20x7:

1. Borrowed \$10,000 from the bank.
2. Purchased \$2,250 of computer equipment for cash.
3. Paid \$750 cash for this month's rent.
4. Purchased \$1,500 of office supplies on credit. It is expected that these supplies will last for 3 months.
5. Billed \$500 to customers for services rendered during April.
6. Paid cash for the \$1,500 balance owed to the vendor from Transaction 4.
7. Collected \$450 cash of the amount billed to the customer in Transaction 5
8. Sold one-half of the equipment purchased in Transaction 2 for \$1,125 in cash, with no gain or loss recognized on the sale.
9. Paid \$1,000 of the principal from the loan in transaction 1, along with \$50 in interest.

Required:

Use the four steps in the accounting cycle to analyze business transactions, a) Identifying transactions from source documents, b) Analyzing transactions using the accounting equation, c) Recording the journal entry and d) Posting the entry to the ledger to complete the following:

1. Prepare journal entries for each of the above transactions.
2. Post the journal entries to T-accounts and total the accounts.
3. From the T-accounts, prepare an unadjusted trial balance. List expenses in alphabetical order.

Use the following chart of accounts names and template:

Cash, Capital Stock, Equipment, Accounts Payable, Rent, Supplies, Accounts Receivable, Revenue.

Your assignment must include a title page and reference page. Review the grading rubric to understand how you will be graded on this assignment. Reach out to your instructor if you have questions about the assignment.

Option #2: Preparing Financial Statements

Download the template required for this assignment which is located in the Module 2 to complete your assignment.

Using the information presented below, prepare an income statement and the balance sheet from the adjusted trial balance of Gin Yang, Culinary Academy.

Gin Yang, Culinary Academy Adjusted Trial Balance
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December 31		
Cash	\$ 5,200	
Accounts receivable	1,100	
Prepaid insurance	1,200	
Office supplies	320	
Office equipment	3,000	
Accumulated depreciation—office equipment		\$ 1,800
Buildings	75,000	
Accumulated depreciation—buildings		26,000
Land	135,000	
Salaries Payable		1,285
Property taxes payable		3,200
Interest payable		3,850
Unearned tuition revenue		3,300
Notes payable		85,000
Gin Yang, Capital Stock		35,000
Gin Yang, Dividends	5,000	
Tuition revenue		92,855
Salaries expense	13,000	
Utilities expense	1,400	

Property taxes expense	1,975	
Insurance expense	1,300	
Office supplies expense	325	
Depreciation expense—office equipment	1,120	
Depreciation expense—buildings	4,850	
Interest expense	<u>2,500</u>	<u> </u>
Totals	<u>\$252,290</u>	<u>\$252,290</u>

Required:

Use a spreadsheet to prepare the:

- a) Income Statement
- b) Balance Sheet

Your assignment must include a title page and reference page. Review the grading rubric to understand how you will be graded on this assignment. Reach out to your instructor if you have questions about the assignment.

Portfolio Reminder (0 points)

Be sure to review the Portfolio Project description and Portfolio Project rubric in Module 8 for details.

MODULE 3

Readings

- Read and view materials presented in the module: Accrual Based Accounting.

Opening Exercise (0 points)

Discussion (25 points)

Live Classroom (0 points)

Mastery Exercise (10 points)

Critical Thinking (60 points)

Option #1: Preparing Adjusting Entries in a Worksheet

Using the template prepare an adjusted trial balance Skylar Gaming, Inc. at the end of its first year of operations at December 31, 20x7. The linked template is located in the Module 3 section under the Critical Thinking Assignment link.

Account Name

DR.

CR.

Cash	\$71,550	
Accounts Receivable	\$25,200	
Supplies	\$550	
Prepaid Insurance	\$12,000	
Equipment	\$31,750	
Accumulated Depreciation-Equipment		\$4,050
Accounts Payable		\$6,700
Salaries Payable		\$0
Unearned Revenue		\$2,200
Common Stock		\$45,700
Retained Earnings		\$23,850
Dividends	\$3,500	
Revenue		\$80,750
Depreciation Expense-Equipment	\$2,000	
Salaries Expense	\$4,750	
Insurance Expense	\$3,100	
Rent Expense	\$4,200	
Supplies Expense	\$2,500	
Utilities Expense	\$2,150	
	\$163,250	\$163,250

The following additional information is available:

1. Skylar Gaming, Inc. needs to accrue \$2,000 in salaries that will not be paid until next month.
2. Skylar Gaming, Inc. has earned \$2,000 of the services that were paid for in advance as included in the unearned revenue account.
3. At the end of the period, Skylar Gaming, Inc. has provided services in the amount of \$500 to another customer (John Gartner). However, Skylar has not billed them yet since they only issue bills at the beginning of each month.
4. Skylar Gaming, Inc. needs to record the annual \$1,025 of depreciation on the equipment.
5. One month of the 12-month insurance policy in prepaid insurance has been used up, and a journal entry is needed to reflect this.
6. At the end of the period, \$125 in supplies are remaining.

Required:

1. Prepare all necessary adjusting entries at December 31, 20x7. Descriptions are not needed.
2. Using the below linked template prepare an adjusted trial balance at December 31, 20x7.

3. Using a worksheet template, prepare an income statement, statement of retained earnings, and a balance sheet.
4. Prepare closing entries including descriptions.

Your assignment must include a title page and reference page. Review the grading rubric to understand how you will be graded on this assignment. Reach out to your instructor if you have questions about the assignment.

Option #2: Preparing Adjusting Entries, Closing Entries and a Post-Closing Trial Balance

Download the required template located in the Module 3 section under the Critical Thinking Assignment link to complete Part 1 and Part 2 of this assignment.

Part 1

Shown below is Johnson Travel Agency's adjusted trial balance as of the end of its annual accounting period:

Johnson Travel Agency's Adjusted Trial Balance December 31		
<u>Account Name</u>	<u>DR.</u>	<u>CR.</u>
Cash	\$ 52,000	
Accounts receivable	18,900	
Office equipment	31,500	
Accumulated depreciation—Office equipment		\$7,500
Notes payable		11,260
Capital stock		42,500
Dividends	2,500	
Fees earned		98,000
Salaries expense	45,200	
Rent expense	2,300	
Depreciation expense—Office equipment	3,160	

Office supplies expense	3,700	
Totals	<u>\$159,260</u>	<u>\$159,260</u>

- (a) Prepare the necessary closing entries.
- (b) Using the spreadsheet template provided, prepare a post-closing trial balance.

Portfolio Reminder (0 points)

Be sure to review the Portfolio Project description and Portfolio Project rubric in Module 8 for details.

MODULE 4

Readings

- Read and view materials presented in the module: Applying the Accounting Process to a Merchandising Company.

Opening Exercise (0 points)

Discussion (25 points)

Mastery Exercise (10 points)

Critical Thinking (60 points)

Option #1: Inventory Entries Practice Exercises

Download the required template located in the Module 4 section under the Critical Thinking Assignment link to complete this assignment.

Below is a record of the purchases and sales of inventory throughout the first four months:

	<u>Units</u>	<u>Cost/Price Per Unit</u>
1/1/x7 Beginning Balance	100	\$3.50
1/31/x7 Purchase	125	\$4.00
2/15/x7 Purchase	250	\$4.50
2/25/x7 Sale	150	\$7.75
3/10/x7 Purchase	300	\$5.00
3/31/x7 Purchase	75	\$5.50
4/10/x7 Sale	225	\$8.25
4/15/x7 Purchase	100	\$6.00
4/30/x7 Sale	350	\$8.50

Requirements:

1. How many units were available for sale throughout the year?
2. What was the total value of all goods available for sale throughout the year?
3. How many physical units were sold?
4. How many physical units are in ending inventory?
5. What is the total sales value for all three sales?

	<u>Units</u>	<u>Price Per Unit</u>	<u>Total</u>
2/25/x7 Sale			
4/10/x7 Sale			
4/30/x7 Sale			
Total			

Each assignment must include a title page and reference page. Review the grading rubric to understand how you will be graded on this assignment. Reach out to your instructor if you have questions about the assignment.

Option #2: LIFO Perpetual vs. LIFO Periodic

Download the required template located in the Module 4 section under the Critical Thinking Assignment link to complete this assignment.

Below is a record of the purchases and sales of inventory throughout the first four months.

	<u>Units</u>	<u>Cost/Price Per Unit</u>
1/1/x7 Beginning Balance	100	\$3.50
1/31/x7 Purchase	125	\$4.00
2/15/x7 Purchase	250	\$4.50
2/25/x7 Sale	150	\$7.75
3/10/x7 Purchase	300	\$5.00
3/31/x7 Purchase	75	\$5.50
4/10/x7 Sale	225	\$8.25
4/15/x7 Purchase	100	\$6.00
4/30/x7 Sale	350	\$8.50

Requirements

1. Calculate the cost of goods sold under the LIFO Perpetual Method for each of the below sales.

<u>Units</u>	<u>Cost Per Unit</u>	<u>Total</u>
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2/25/x7 Sale			
Show Detail			
Show Detail			
4/10/x7 Sale			
Show Detail			
Show Detail			
4/30/x7 Sale			
Show Detail			
Show Detail			
Total			

2. Calculate the cost of goods sold under the LIFO Periodic Method for each of the below sales.

	<u>Units</u>	<u>Cost Per Unit</u>	<u>Total</u>
2/25/x7 Sale			
Show Detail			
Show Detail			
4/10/x7 Sale			
Show Detail			
Show Detail			
4/30/x7 Sale			
Show Detail			
Show Detail			
Total			

3. What is the main reason for the differences in the two methods?

Each assignment must include a title page and reference page. Review the grading rubric to understand how you will be graded on this assignment. Reach out to your instructor if you have questions about the assignment.

Portfolio Reminder (0 points)

Be sure to review the Portfolio Project description and Portfolio Project rubric in Module 8 for details.

MODULE 5

Readings

- Read and view materials presented in the module: Internal Controls, Cash, and Receivables.

Opening Exercise (0 points)

Discussion (25 points)

Mastery Exercise (10 points)

Critical Thinking (60 points)

Option #1: Conducting a Bank Reconciliation

Note: Part 1 is the bank reconciliation itself and Part 2 is for the adjusting entries.

Instructions: Download the required template located in the Module 5 section under the Critical Thinking Assignment link to complete the bank reconciliation for both the "book" and the "bank" sides and create all necessary adjusting journal entries.

Details:

- Cash balance per company's records as of July 31st, 2011 was \$66,955.
- Bank statement balance as of July 31st, 2011 was \$15,875.
- A deposit in the amount of \$52,000 was deposited into the night depository of the bank on July 31st but did not get recorded in the July 31st bank statement balance.
- Check #354 in the amount of \$575 and check # 365 in the amount of \$1,500 were outstanding as of this bank statement.
- An NSF check in the amount of \$500 (written by J. Smith, a customer) was returned by the bank to the company in the July 31st bank statement.
- A bank service charge in the amount of \$50 was included in the July 31st bank statement.
- Interest in the amount of \$125 was deposited into our account by the bank.
- The bank collected \$1,000 from a customer (H. Doe) on our behalf as part of the lockbox service that we established with the bank.
- The bank erroneously posted another company's check (i.e. withdrawal) in the amount of \$5,000 to our account.
- The bank erroneously posted another company's deposit into our account in the amount of \$3,000.
- After reconciling the bank statement, we noticed that a check that was written to pay for the current month's utilities in the amount of \$250 was improperly recorded in our books as \$520. (It was properly recorded in the bank statement as \$250.)

Each assignment must include a title page and reference page. Review the grading rubric to understand how you will be graded on this assignment. Reach out to your instructor if you have questions about the assignment.

ACT300_Critical_Thinking_Template_Option_01_Module_05

Option #2: Journalizing Transactions

Download the required template located in the Module 5 section under the Critical Thinking Assignment link to complete this assignment.

The following was taken from the records of Wesley Branch, Co in the year ending December 31, 20x7.

Journalize the following transactions in an Excel spreadsheet for year-end 20x7 using the aging method. Assume that the allowance for doubtful accounts has a beginning credit balance of \$10,000 on January 1, 20x7. The assignment template is attached below.

Label the transactions below as journal entries #1 to #4, along with the dates of the entries:

1. February 20, 20x7: Wrote off Johnson account: \$300.

2. May 20, 20x7: Received \$360 as partial payment on the \$650 account receivable due from Andrews.
3. August 10, 20x7: Received \$300 from Johnson on the account written off on February 20, 20x7.
4. September 15: Wrote off the individual account receivables for the following customers as payment not expected in future: Masterson: \$325; Benson: \$320; Ishira: \$450.

December 31, 20x7: Wesley Branch prepared the following aging schedule for its accounts receivables:

- \$115,000 of Accounts Receivable (A/R) are 0-30 days late: 2.5% probability of being uncollectible.
- \$45,000 of A/R are 31-60 days late: 12% probability of being uncollectible.
- \$17,000 of A/R are 61-90 days late: 25% probability of being uncollectible.
- \$3,500 of A/R are later than 90 days late: 60% probability of being uncollectible.

Instructions:

Using the Excel spreadsheet template provided for this assignment, submit the following items:

1. The four journal entries (1 to 4 above) with a one-sentence description for each
2. The T-account for the allowance for doubtful accounts
3. The journal entry to record bad debt expense
4. The balance sheet presentation of the net realizable value of accounts receivable

Review the grading rubric to understand how you will be graded on this assignment. Reach out to your instructor if you have questions about the assignment.

MODULE 6

Readings

- Read and view materials presented in the module: Accounting for Long-Term Assets.

Opening Exercise (0 points)

Discussion (25 points)

Live Classroom (0 points)

Mastery Exercise (10 points)

Critical Thinking (70 points)

Option #1: Computing and Recording Depreciation

Download the required template located in the Module 6 section under the Critical Thinking Assignment link to complete this assignment.

Two Brother's Moving Company purchased a group of new moving trucks for a total amount of \$125,000. The vehicles are expected to last five years due to the heavy use and have a residual/scrap/salvage value of \$10,000 at the end of that life. Usage of the vehicle is tracked in miles and the vehicles in total are expected to last 2,000,000 miles. During year one 750,000 miles were used, during year two 600,000 miles were used, during year three 500,000 miles were used, during year four no miles were used due to a temporary closing of the moving line of business, and during year five 150,000 miles were used. Using the depreciation template provided, determine the amount of depreciation expense for the third year under each of the following assumptions:

- a. The company uses the straight-line method of depreciation.
 - b. The company uses the units-of-production method of depreciation.
 - c. The company uses the double-declining-balance method of depreciation.
1. Assuming straight line depreciation, prepare the journal entry for the third year.
 2. Assume the company sold the vehicles at the end of the fourth year for \$50,000. Prepare a journal entry for asset disposal in the fourth year.
 3. Assume you are the chief accountant of this company Determine how you will choose, based on best industry practices, the depreciation method for them to use.

Your response to Part 4 should be at least one page and must include title and reference pages. In addition, your paper must be formatted according to the CSU-Global Guide to Writing and APA. Review the grading rubric to understand how you will be graded on this assignment. Reach out to your instructor if you have questions about the assignment.

Option #2: Accounting for Intangible Assets and Natural Resources

Download the required template located in the Module 6 section under the Critical Thinking Assignment link to complete this assignment.

Part 1

- a. Assume you are the chief accountant of Exxon Mobil. Describe to the Board of Directors the accounting for natural resources, including their acquisition, and cost allocation (depletion). Use a real-world example to explain your answers.
- b. Assume you are the chief accountant of Microsoft Corporation. Describe to the Board of Directors the accounting for intangible assets, including their acquisition and cost allocation (amortization). Use an example in your explanations.
- c. On June 1, ABC Inc. purchased a patent for \$75,000 with a useful life of 10 years. Prepare the journal entry to amortize the patent at the end of the first year assuming ABC Inc. follows a calendar year.
- d. On January 4, ABC Inc. purchased a music distributor's collection of lyrics and songs for \$425,000. The copyrights are expected to last another ten years. Prepare the journal entry to amortize the copyright at the end of the first year.

Additional requirements

Your responses to the questions (a) and (b) above as well as your analysis should be at least one page and must include the title and reference pages. Your paper must be formatted according to the CSU-Global Guide to Writing and APA. Review the grading rubric to understand how you will be graded on this assignment. Reach out to your instructor if you have questions about the assignment.

Part 2

For each item listed below, enter a code letter in the blank space to indicate the usage allocation terminology for the item. Use the following codes for your answer:

A—Amortization	P—Depletion
D—Depreciation	N—None of these

_____ 1. Goodwill

_____ 7. Timberlands

- | | |
|---------------------------------------|-------------------------------------|
| ___ 2. Land | ___ 8. Franchises (indefinite life) |
| ___ 3. Buildings | ___ 9. Licenses (limited life) |
| ___ 4. Patents | ___ 10. Land Improvements |
| ___ 5. Copyrights | ___ 11. Oil Deposits |
| ___ 6. Research and development costs | ___ 12. Equipment |

Portfolio Reminder (0 points)

Be sure to review the Portfolio Project description and Portfolio Project rubric in Module 8 for details.

MODULE 7

Readings

- Read and view materials presented in the module: Accounting for Liabilities.

Opening Exercise (0 points)

Discussion (25 points)

Mastery Exercise (10 points)

MODULE 8

Readings

- Read and view materials presented in the module: Accounting for Stockholders' Equity.

Opening Exercise (0 points)

Discussion (25 points)

Mastery Exercise (10 points)

Portfolio Project (350 points)

Option #1: The Accounting Cycle and Stockholders' Equity Analysis

Portfolio Project Option #1 is for accounting students who are sensing learners and learn best from concrete materials and examples. If this is your learning style preference, you are practical and careful with detail. For this assignment, you are required to complete Part 1, Part 2, and Part 3. You will present Parts 1 and 2 in Excel, and Part 3 of the Portfolio Project in a Word document, following the exact instructions that accompany each part.

Download the required template located in the Module 8 section under the Portfolio Project Assignment link to complete this assignment.

Part 1:

Katy McCall opens a tax consulting business called Horizon Consultants Inc. and completes the following transactions in March:

March 1: As a sole shareholder, McCall invested \$125,000 cash along with \$45,000 of office equipment in the company.

March 2: Horizon Consultants Inc. completed services for a client and immediately received \$4,000 cash.

March 3: Horizon made credit purchases for office equipment for \$1,500 and office supplies for \$2,100. Payment is due within 10 days.

March 6: Horizon Consultants Inc. pre-paid \$6,000 cash for six months' rent for their office.

March 10: Horizon completed a \$4,250 project for a client who must pay within 45 days.

March 12: Horizon paid \$3,600 cash to settle the account payable created on March 3.

March 19: Horizon paid a \$6,000 cash premium on a 12-month insurance policy.

March 22: Horizon received \$3,250 cash as a partial payment for the work completed on March 10.

March 25: Horizon completed work for another client for \$4,250 on credit.

March 29: McCall paid herself a dividend of \$3,000 cash.

March 30: Horizon purchased \$750 of additional office supplies on credit.

March 31: Horizon paid \$350 cash for this month's utility bill.

Instructions:

Using the following chart of accounts and template, prepare journal entries for the above economic transactions. Include the effect that each transaction has on the accounting equation. Enter your journals to the general ledger using the same file name.

Chart of accounts: cash, office equipment, capital stock, prepaid rent, prepaid insurance, office supplies, accounts payable, consulting revenue, accounts receivable, dividend, utility expense.

Part 2:

The following unadjusted trial balance is for Groenke Construction Company as of year-end for the December 31, 20x7 fiscal year. The December 31, 20x6 credit balance of the stockholders' equity account is \$50,500, and the stockholders invested \$45,000 cash in the company during 20x7.

NO.	Account Title	Debit	Credit
101	Cash	\$15,000	
126	Supplies	\$8,500	
128	Pre-paid insurance	\$11,200	
167	Equipment	\$175,000	
168	Accumulated depreciation – equipment		\$19,000
201	Accounts payable		\$9,250
251	Long-term notes payable		\$45,000
301	Shareholders' equity		\$106,900
302	Dividends	\$15,750	
401	Construction Revenue		\$153,000

623	Wage expense	\$61,800	
633	Interest expense	\$6,250	
640	Rent expense	\$15,750	
683	Property tax expense	\$12,500	
684	Repairs expense	\$6,100	
690	Utilities expense	\$5,300	
TOTALS		\$333,150	\$333,150

Instructions:

Download the required template located in the Module 8 section under the Portfolio Project Assignment link to:

- Journalize the following adjusting entries as of fiscal year-end December 31, 20x7.
- Post the adjusting entries to an unadjusted trial balance and prepare the adjusted trial balance.
- Create financial statements, namely: i) the income statement, ii) statement of stockholders' equity, and iii) the balance sheet for 20x7.

Adjustments needed:

- The supplies available at the end of the fiscal year 20x7 are at a cost of \$5,700.
- The company's employees have earned \$3,500 in accrued wages for the fiscal year.
- The cost of expired insurance for the fiscal year is \$8,600.
- The rent expense not yet paid or recorded in the fiscal year is \$2,250.
- Annual depreciation on equipment is \$8,000; no other depreciation adjustment was made in 20x7.
- The \$450 accrued interest for December has not yet been paid and reported.
- Additional property taxes of \$625 have been assessed for the fiscal year but have not yet been paid or recorded in the accounts.
- The December utilities expense of \$425 is not included in the adjusted trial balance, because the bill arrived after the trial balance was prepared. The \$425 amount owed needs to be recorded.

Part 3

Download the required template located in the Module 8 section under the Portfolio Project Assignment link to complete this assignment.

Assume you are the chief accountant making a presentation during the stockholders' annual meeting for your corporation. Provide a brief explanation to stockholders on each of the following questions:

Shares

- In what ways can shares be "preferred"? In which ways are they similar and different from common shares? Give real-world examples.
- How does the book value of shares of stock differ from the market value of shares of stock? Use a real-world example in your answer.

Dividends

- c. Discuss at least three main issues a board of directors considers when making a dividend declaration decision.
- d. How does a share dividend differ from a share split?

Retained Earnings

- e) Explain why companies place restrictions on some of their retained earnings.

Reminder: Your Part 3 paper should be two to three pages in length total and conform to CSU-Global Guide to Writing and APA. Include scholarly references as needed in addition to the course textbook to support your views. The CSU-Global Library is a good place to find these references.

Part 3

Assume you are the chief accountant making a presentation during the stockholders' annual meeting for your corporation. Provide a brief explanation to stockholders on each of the following questions:

Shares

- e. In what ways can shares be "preferred"? In which ways are they similar and different from common shares? Give real-world examples.
- f. How does the book value of shares of stock differ from the market value of shares of stock? Use a real-world example in your answer.

Dividends

- g. Discuss at least three main issues a board of directors considers when making a dividend declaration decision.
- h. How does a share dividend differ from a share split?

Retained Earnings

- e. Explain why companies place restrictions on some of their retained earnings.

Reminder: Your Part 3 paper should be two to three pages in length total and conform to CSU-Global Guide to Writing and APA. Include scholarly references as needed in addition to the course textbook to support your views. The CSU-Global Library is a good place to find these references.

Option #2: The Accounting Cycle and Inventory Analysis

Portfolio Project Option #2 is for accounting students who are intuitive learners by nature. You learn best from abstract materials like theories and concepts, enjoy challenges, and tend to be more innovative. For this assignment, you are required to complete the accounting case for Friday Line in Part 1, Bolton Consulting in Part 2, and Aranas Manufacturing in Part 3. Follow the additional instructions provided below.

Part 1:

Friday Line, a modeling agency, completed the following transactions during the first month of operations:

April 1: Stockholders invested \$65,000 cash along with equipment valued at \$32,000 in the company in exchange for 1,000 shares of stock.

April 3: Friday Line paid \$9,500 cash to settle accounts payable.

Accum. Depr. - Autos		52,000								
Accounts payable		17,500								
Unearned fees		26,500								
Salaries payable										
Capital Stock		58,000								
Dividends	42,500									
Fees earned		241,750								
Salary expense	91,000									
Rent expense	35,750									
Advertising expense										
Supplies expense										
Depreciation expense	_____	_____								
Totals	<u>395,750</u>	<u>395,750</u>								

Instructions

Download the required template located in the Module 8 section under the Portfolio Project Assignment link to complete this assignment using the following information:

- (a) Unpaid and unrecorded salaries earned by employees, \$6,500.
- (b) Unused supplies still on hand is \$3,200.
- (c) Machinery depreciation, \$20,000.
- (d) Customers who paid \$12,750 in advance have received their services.
- (e) Advertising for last quarter of the year in the amount of \$5,200 remains unpaid and unrecorded.
- (f) The rent expense incurred and not yet paid or recorded at fiscal year-end is \$4,100.

Part 3

Aranas Manufacturing, a tool retailer, began year 20x7 with 21,500 units of product in its January 1 inventory, at a cost of \$12.50 for each unit. It made successive purchases of its product in year 20x7, as follows. The company uses a periodic inventory system. On December 31, 20x7, a physical count reveals that 35,000 units of its product remain in inventory.

Mar. 7	25,000 units	@ \$16 each
May 25	41,500 units	@ \$19 each
Aug. 1	22,750 units	@ \$23 each
Nov. 10	38,100 units	@ \$24 each

Instructions

Download the required template located in the Module 8 section under the Portfolio Project Assignment link to complete this assignment.

1. Compute the number and total cost of the units available for sale in year 20x7.
2. Compute the amounts assigned to the 20x7 ending inventory, and the cost of goods sold for FIFO, LIFO, and weighted average.
3. The 113,850 units sold are \$31 each. Prepare comparative income statements for the three inventory costing methods of FIFO, LIFO, and weighted average, which include a detailed cost of goods sold section as part of each statement. (Round your average cost per unit to 2 decimal places.)
4. As the chief accountant of Aranas Company, provide recommendations, giving all reasons based on your research on retail industry inventory best practices, management on:
 - a. Which inventory method (FIFO, LIFO, average cost, or specific identification) you should use.
 - b. Whether it is a good idea to keep using the periodic system as opposed to the perpetual inventory system.

Reminder: Your Part 3 paper should be two to three pages in length total and conform to CSU-Global Guide to Writing and APA. Include scholarly references as needed in addition to the course textbook to support your views. The CSU-Global Library is a good place to find these references.

COURSE POLICIES

Course Grading

20% Discussion Participation
0% Opening Exercises
0% Live Classroom
8% Mastery Exercises
37% Critical Thinking Assignments
35% Final Portfolio Project

Grading Scale	
A	95.0 – 100
A-	90.0 – 94.9
B+	86.7 – 89.9
B	83.3 – 86.6
B-	80.0 – 83.2
C+	75.0 – 79.9
C	70.0 – 74.9
D	60.0 – 69.9
F	59.9 or below

IN-CLASSROOM POLICIES

For information on late work and incomplete grade policies, please refer to our [In-Classroom Student Policies and Guidelines](#) or the Academic Catalog for comprehensive documentation of CSU-Global institutional policies.

Academic Integrity

Students must assume responsibility for maintaining honesty in all work submitted for credit and in any other work designated by the instructor of the course. Academic dishonesty includes cheating, fabrication, facilitating academic dishonesty, plagiarism, reusing /repurposing your own work (see *CSU-Global Guide to Writing and APA Requirements* for percentage of repurposed work that can be used in an assignment), unauthorized possession of academic materials, and unauthorized collaboration. The CSU-Global Library provides information on how students can avoid plagiarism by understanding what it is and how to use the Library and Internet resources.

Citing Sources with APA Style

All students are expected to follow the *CSU-Global Guide to Writing and APA Requirements* when citing in APA (based on the APA Style Manual, 6th edition) for all assignments. For details on CSU-Global APA style, please review the APA resources within the CSU-Global Library under the “APA Guide & Resources” link. A link to this document should also be provided within most assignment descriptions in your course.

Disability Services Statement

CSU-Global is committed to providing reasonable accommodations for all persons with disabilities. Any student with a documented disability requesting academic accommodations should contact the Disability Resource Coordinator at 720-279-0650 and/or email ada@CSUGlobal.edu for additional information to coordinate reasonable accommodations for students with documented disabilities.

Netiquette

Respect the diversity of opinions among the instructor and classmates and engage with them in a courteous, respectful, and professional manner. All posts and classroom communication must be conducted in accordance with the student code of conduct. Think before you push the Send button. Did you say just what you meant? How will the person on the other end read the words?

Maintain an environment free of harassment, stalking, threats, abuse, insults, or humiliation toward the instructor and classmates. This includes, but is not limited to, demeaning written or oral comments of an ethnic, religious, age, disability, sexist (or sexual orientation), or racist nature; and the unwanted sexual advances or intimidations by email, or on discussion boards and other postings within or connected to the online classroom. If you have concerns about something that has been said, please let your instructor know.