

College of Micronesia - FSM
Division of Business Administration
AC 131 – ACCOUNTING 1
Syllabus – Spring 2010

Instructor: Rafael A. Pulmano, CPA, MBA

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Class Schedules: TTH • 12:30-1:55 PM / 2:00-3:25 PM • January 7 - April 30, 2010

Office hours: MWF, 2:00-3:00 PM; TTH, 11:00-12:00 NN; and by appointment

General Course Objective:

Establish a foundation for the understanding of the accounting environment, basic accounting concepts, and the accounting model. Each step of the accounting cycle is covered in detail. Also covered are the sales, purchases, cash receipts and cash payments journals and their accompanying accounts receivable and accounts payable subsidiary ledgers; cash; and preparation of financial statements.

Specific Course Objectives: The student will be able to –

1. Identify the users, preparers, and purposes of accounting information. The student will also be able to identify the forms of business organizations and types of business transactions and prepare a balance sheet.
2. Identify and discuss the broad classes of accounts. Explain the basic purpose of the principal financial statements and the type of information contained in each. Additionally, the student will be able to prepare a simple trial balance, balance sheet, income statement, and owner's equity statement with at least 70% accuracy.
3. Describe what constitutes a business transaction. Analyze and record transactions in the general journal and post in the general ledger using the double-entry accounting system.
4. Explain the matching concept. Calculate adjustments for supplies used, rent or insurance prepaid, depreciation, wages unpaid, and income unearned at the end of the accounting period and complete the worksheet.
5. Prepare financial statements from the worksheet and journalize and post adjustments.
6. Journalize and post closing entries and prepare a post-closing trial balance.

7. Use the sales journal and post to accounts receivable and its subsidiary ledger. Be able to record sales returns and allowances and sales of assets other than merchandise on account.
8. Use the purchases journal and post to accounts payable and its subsidiary ledger. Be able to record purchases returns and allowances and purchase of assets other than merchandise on account.
9. Use the Cash Receipts and Cash Payment Journals and post to accounts receivable and account payable general and subsidiary ledgers.
10. Record cash receipts. Reconcile a bank statement and record the bank charges. Maintain a petty cash system and change fund.
11. Calculate the adjustments for merchandise inventory, deferrals, and accruals for a merchandising business and journalize and post adjusting entries.
12. Prepare and analyze financial statements; prepare and journalize closing (and reversing) entries for a merchandising business. Prepare a post-closing trial balance.

Textbook:

Paradigm College Accounting, Revised 4th Edition, by Dansby, Kaliski & Lawrence.
Only Chapters 1-10 shall be covered.

Required Course Materials:

‘Working Papers/Study Guide’ manual (Ch.1-18) – *Only Chapters 1-10 shall be used.*
 Calculator, pens (blue or black plus red ink), pencil, and ruler.

Composition of Final Grade:

Homework / Assignments - 20%
 Quizzes / Class works - 20%
 Midterm Exam - 20%
 Final Exam - 20%
 Comprehensive Problem Solving - 20%

Grading:

A	B	C	D	F
90 – 100%	80 – 89%	70 – 79%	60 – 69%	59% & under

Academic Honesty:

Cheating of any form on any assignment, quiz, or exam will result in a zero for that assignment, quiz, or exam AND possibly further disciplinary action. Please read the catalog to familiarize yourself with the entire academic honesty policy.

Attendance:

- The college attendance policy shall be adhered to. Mandatory attendance is at the discretion of the instructor, and it is this instructor's discretion that your fifth (5th) absence will result in automatic withdrawal from the class or an “F”, depending on when it occurs.
- You are expected to come to class having read the material and ready to learn how to apply your newly found knowledge in your environment, regardless of whether you were present or absent during the previous meeting.
- You are also expected to make every effort to take exams when scheduled. There will be no make up quizzes/exams. Graded class works are treated as quizzes. If you miss a class work, exam or quiz for whatever reason, you will automatically get a grade of zero percent (0%) for that particular activity.
- All homework assignments must be turned in on time regardless of attendance. Late assignments will not be accepted.
- If you miss any lesson from lectures, class discussions, handouts or class activities, it is your responsibility to inquire either from me or from your classmates and exert efforts to keep yourself up-to-date.
- At the beginning of each class an Attendance Sheet will be passed around for you to sign. If you come in late, it is your responsibility to approach and let me know you were there to make sure you were not marked absent.
- Extra points will be given based on your participation in seat work, board work and class discussions, asking relevant questions about the lecture material, attendance, and being on time.

Note: *In the interest of achieving course objectives, this syllabus may be changed by the instructor at any time during the course of the semester. However, any such changes shall be communicated to the class promptly.*

COURSE OUTLINE

Day	TOPIC / ACTIVITY
Jan 7 Thursday	<p>Topic: Introduction to the course</p> <p>Activity: Pretest; Distribution & Explanation of Syllabi; Introduction to Accounting 1</p> <p>For Next Meeting: Read Chapter 1 – The Nature of Accounting, pages 1-12; Homework #1 – Answer Chapter 1 Concepts Review questions 1-10, page 24</p>
Jan 12 Tuesday	<p>Topics: Accounting and related terms; users of accounting information; forms of business organizations; types of business operations; elements of accounting; the accounting equation; business transactions; recording business transactions in equation form.</p> <p>Activities: Review/submission of HW #1; Lecture/discussion on current topics; Illustrative problem solving</p> <p>For Next Meeting: Homework #2 – Solve Problem 1-3A, page 28; Continue Reading Chapter 1, pages 13-24; Homework #3 – Answer Chapter 1 Concepts Review questions 11-15, page 24</p>
Jan 14 Thursday	<p>Topics: Four types of transactions that affect owner's equity; three basic financial statements</p> <p>Activities: Review/submission of HW # 2 & 3; Lecture/discussion on current topics; Illustrative problem solving</p> <p>For Next Meeting: Homework #4 – Solve Problem 1-5A, page 29; QUIZ in Chapter 1.</p>
Jan 19 Tuesday	<p>Topics: All topics in Chapter 1</p> <p>Activities: QUIZ in Chapter 1; Review/submission of HW #4</p> <p>For Next Meeting: Read Chapter 2 – Recording Business Transactions, pages 37-42; Homework #5 – Answer Chapter 2 Concepts Review questions 1-6, page 56</p>
Jan 21 Thursday	<p>Topics: Double-entry accounting; the standard form of account; the T-account; rules of debit and credit for asset, liability, and owner's equity accounts; recording transactions in assets, liability, and owner's equity accounts</p> <p>Activities: Review of solution to Quiz in Chapter 1; Review/submission of HW #5; Lecture/discussion on current topics; Illustrative problem solving</p> <p>For Next Meeting: Continue reading Chapter 2, pages 42-56; Homework #6 – Answer Chapter 2 Concepts Review questions 7-14, page 56</p>
Jan 26 Tuesday	<p>Topics: The need for temporary owner's equity accounts; rules of debit and credit for temporary owner's equity accounts; recording business transactions in T accounts; preparing a trial balance</p> <p>Activities: Review/submission of HW #6; Lecture/discussion on current topics; Illustrative problem solving</p> <p>For Next Meeting: Homework #7 – Solve Problem 2-4A, page 60; QUIZ in Chapter 2</p>

Day	TOPIC / ACTIVITY
Jan 28 Thursday	<p>Topics: All topics in Chapter 2</p> <p>Activities: QUIZ in Chapter 2; Review/submission of HW #7</p> <p>For Next Meeting: Read Chapter 3 – Starting the Accounting Cycle for a Service Business, pages 67-75; Homework #8 – Answer Chapter 3 Concepts Review questions 1-4, page 94</p>
Feb 2 Tuesday	<p>Topics: The standard form of a two-column journal; recording business transactions in a two-column journal</p> <p>Activities: Review of solution to Quiz in Chapter 2; Review/submission of HW #8; Lecture/discussion on current topics; Illustrative problem solving</p> <p>For Next Meeting: Homework #9 – Solve Problem 3-1A, page 97; Continue reading Chapter 3, pages 75-81; Homework #10 – Answer Chapter 3 Concepts Review questions 5-10, page 94</p>
Feb 4 Thursday	<p>Topics: Chart of accounts; posting from a two-column journal to ledger accounts; preparing a trial balance from a ledger after posting; the four-column ledger account form</p> <p>Activities: Review/submission of HW #9 & #10; Lecture/discussion on current topics; Illustrative problem solving</p> <p>For Next Meeting: Homework #11 – Solve Problem 3-3A, page 97; Continue reading Chapter 3, pages 82-94; Class work in Chapter 3; Homework #12 – Answer Chapter 3 Concepts Review questions 11-14, page 94</p>
Feb 9 Tuesday	<p>Topics: Locating and correcting errors in the accounting process; correcting entries</p> <p>Activities: Review/submission of HW #11 & #12; Lecture/discussion on current topics; Illustrative problem solving; Class work – Problem 3-5A, pages 99-100</p> <p>For Next Meeting: Homework #13 – Solve 3-4A, page 99; QUIZ in Chapter 3</p>
Feb 11 Thursday	<p>Topics: All topics in Chapter 3</p> <p>Activities: QUIZ in Chapter 3; Completion and submission of class work – Problem 3-5A; Review/submission of HW #13</p> <p>For Next Meeting: Read Chapter 4 – The Accounting Cycle Continued: Work Sheet, Financial Statements, and Adjusting Entries, pages 110-120; Homework #14 – Answer Chapter 4 Concepts Review questions 1-11, page 131</p>
Feb 16 Tuesday	<p>Topics: The need for adjusting entries; making adjusting entries for supplies used, expired insurance, depreciation, and unpaid wages; completing a work sheet for a service business</p> <p>Activities: Review of solution to Quiz in Chapter 3; Review/submission of HW #14; Lecture/discussion on current topics; Illustrative problem solving</p> <p>For Next Meeting: Homework #15 – Solve Problem 4-2A, page 135; Continue reading Chapter 4, pages 120-131; Homework #16 – Answer Chapter 4 Concepts Review questions 12-14, pages 131-132</p>
Feb 18 Thursday	<p>Topics: Preparing financial statements from a work sheet; journalizing adjusting entries</p> <p>Activities: Review/submission of HW #15 & #16; Lecture/discussion on current topics; Illustrative problem solving; Review pointers for the Midterm Examination</p> <p>For Next Meeting: Homework #17 – Solve Problem 4-5A, pages 139-140; MIDTERM EXAMINATION</p>

Day	TOPIC / ACTIVITY
Feb 23 Tuesday	<p>Topics: All topics covered in Chapters 1-4</p> <p>Activity: MIDTERM EXAMINATION; Review/submission of HW #17</p> <p>For Next Meeting: Read Chapter 5 – Completing the Accounting Cycle for a Service Business: Closing Entries and the Post-Closing Trial Balance, pages 145-163; Homework #18 – Answer Chapter 5 Concepts Review questions 1-8, page 164</p>
Feb 25 Thursday	<p>Topics: The purpose of the closing process; journalizing and posting closing entries; preparing the post-closing trial balance</p> <p>Activities: Review of solution to Midterm Examination; Review/submission of HW #18; Lecture/discussion on current topics; Illustrative problem solving</p> <p>For Next Meeting: Homework #19 – Solve Problem 5-2A, pages 167-168; Homework #20 – Answer Chapter 5 Concepts Review questions 9-14, page 164 Class work in Chapter 5</p>
Mar 2 Tuesday	<p>Topics: The work sheet, adjusting and closing process (review)</p> <p>Activities: Review/submission of HW #19 & #20; Class work – Problem 5-3A, pp. 168-169</p> <p>For Next Meeting: Read Chapter 6 – Cash and the Combined Journal, pages 179-189; Homework #21 – Answer Chapter 6 Concepts Review questions 1-7, page 210</p>
Mar 4 Thursday	<p>Topics: Definition of cash in accounting; internal control procedures related to cash; recording transactions in a combined journal, posting the combined journal to the ledger, and cross-referencing the two records</p> <p>Activities: Review of solution to last meeting's class work; Review solution and submission of HW #21; Lecture/discussion on current topics; Illustrative problem solving</p> <p>For Next Meeting: Homework #22 – Solve Problem 6-2A, pages 213-214; Continue reading Chapter 6, pages 190-195; Homework #23 – Answer Chapter 6 Concepts Review questions 9-16, page 210</p>
Mar 9 Tuesday	<p>Topics: Accounting for the petty cash fund, change fund and cash shortages/overages;</p> <p>Activities: Review/submission of HW #22 & #23; Lecture/discussion on current topics; Illustrative problem solving; Class work – Problem 6-3A, page 215</p> <p>For Next Meeting: Continue reading Chapter 6, pages 196-209; Homework #24 – Answer Chapter 6 Concepts Review questions 17-20, page 210</p>
Mar 11 Thursday	<p>Topic: Bank reconciliation</p> <p>Activities: Review of solution to last meeting's class work; Review/submission of HW #24; Lecture/discussion on current topic; Illustrative problem solving; Class work – Problem in bank reconciliation (TBA)</p> <p>For Next Meeting: QUIZ in Chapter 6; Read Chapter 7 – Accounting for Merchandising Business: Purchases and Cash Payments, pages 221-233; Homework #25 – Answer Chapter 7 Concepts Review questions 1-12, pages 251-252</p>

Day	TOPIC / ACTIVITY
Mar 16 Tuesday	<p>Topic: Procedures and forms used in purchasing merchandise; recording credit purchases in a general journal and a purchases journal, and posting to the accounts payable ledger and the general ledger</p> <p>Activities: Review of solution to Quiz in Chapter 6; Review/submission of HW #25; Lecture/discussion on current topic; Illustrative problem solving;</p> <p>For Next Meeting: Homework #26 – Solve Exercises 7-3 and 7-4, pages 252-253 ; Continue reading Chapter 7, pages 234-251; Homework #27 – Answer Chapter 7 Concepts Review questions 13-21, page 252</p>
Mar 18 Thursday	<p>Topic: Recording purchases returns and allowances; recording purchases discounts; recording cash payments in a cash payments journal and posting to the accounts payable ledger and the general ledger; preparing a schedule of accounts payable; recording freight charges on incoming merchandise</p> <p>Activities: Review/submission of HW #26 & #27; Lecture/discussion on current topic; Illustrative problem solving;</p> <p>For Next Meeting: Homework #28 – Solve Problem 7-2A, pages 254-255; Read Chapter 8 – Accounting for a Merchandising Business: Sales and Cash Receipts, pages 267-278; Homework #29 – Answer Chapter 8 Concepts Review questions 1-10, page 297</p>
Mar 23 Tuesday	<p>Topic: Procedures and forms used in selling merchandise; recording of sales of merchandise in a sales journal and posting to the general ledger and the accounts receivable ledger; recording sales returns and allowances; recording sales discounts; preparing a schedule of accounts receivable</p> <p>Activities: Review/submission of HW #28 & #29; Lecture/discussion on current topic; Illustrative problem solving; Class work – Exercise 8-10, page 300</p> <p>For Next Meeting: Homework #30 – Solve Problem 8-1A, pages 300-301; Continue reading Chapter 8, pages 278-297; Homework #31 – Answer Chapter 8 Concepts Review questions 11-14, page 297</p>
Mar 25 Thursday	<p>Topics: Recording cash receipts in a cash receipts journal and posting to the general ledger and the accounts receivable ledger; recording credit card sales</p> <p>Activities: Review/submission of HW #30 & #31; Lecture/discussion on current topics; Illustrative problem solving</p> <p>For Next Meeting: Homework #32 – Solve Problem 8-4A, pages 302-303; QUIZ and Class Work in Chapters 7 & 8</p>
Mar 30 Tuesday	No class – COM-FSM Founding Day
Apr 1 Thursday	No class – Easter Recess for Students

Day	TOPIC / ACTIVITY
Apr 6 Tuesday	<p>Topics: All topics covered in Chapters 7 & 8</p> <p>Activities: QUIZ in Chapters 7 & 8; Review/submission of HW #32</p> <p>For Next Meeting: Read Chapter 9 – Work Sheet and Adjustments for a Merchandising Business, pages 317-337; Homework #33 – Answer Chapter 9 Concepts Review questions 1-9, page 337</p>
Apr 8 Thursday	<p>Topics: Making adjustments to the Merchandise Inventory Account; Making other needed adjustments and completing a work sheet for a merchandising business</p> <p>Activities: Review of solution to Quiz in Chapters 7 & 8; Review/submission of HW #34; Lecture/discussion on current topics; Illustrative problem solving</p> <p>For Next Meeting: Homework #35 – Solve Problem 9-3A, pages 340-341; Read Chapter 10 – Financial Statements and Closing Entries for a Merchandising Business, pages 349-379</p>
Apr 13 Tuesday	<p>Topic: Preparing financial statements for a merchandising business</p> <p>Activities: Review/submission of HW #35; Lecture/discussion on current topics; Illustrative problem solving</p> <p>For Next Meeting: Homework – Solve Problem (handout); Homework #36 – Answer Chapter 10 Concepts Review questions 1-10, page 380</p>
Apr 15 Thursday	<p>Topic: Preparing a post-closing trial balance; making reversing entries for accrued (unpaid) salaries</p> <p>Activities: Review/submission of HW #36; Lecture/discussion on current topics; Illustrative problem solving; Class work – adjusting and closing entries(handout problem - continued)</p> <p>For Next Meeting: Homework #37 – Answer Chapter 10 Concepts Review questions 11-14, page 380 Bring textbook, answer sheets to Comprehensive Review Problem 2 (Mills Sporting Goods Store), pen (blue or black), pencil, calculator, ruler, and short file folder</p>
Apr 20 Tuesday	<p>Topic: The complete accounting cycle</p> <p>Activity: Review solution and submission of HW #37; Comprehensive Problem Solving - Start</p>
Apr 22 Thursday	<p>Topic: The complete accounting cycle</p> <p>Activity: Comprehensive Problem Solving - Continue</p>
Apr 27 Tuesday	<p>Topic: The complete accounting cycle</p> <p>Activity: Comprehensive Problem Solving - Complete & Submit</p>
Apr 29 Thursday	<p>Topic: Coverage of Final Exam</p> <p>Activity: Review pointers for the Final Exam</p>
May 4 Tuesday	<p>FINAL EXAMINATION 2:15 - 4:15 PM</p>