

OBU010-INTRODUCTION TO FINANCIAL ACCOUNTING

Credit Hours: 3-4 Semester Hours
Related TAG: Business
<p>General Course Description: This is a course of study that introduces financial accounting and financial reporting for business entities.</p>
<p>Learning Outcomes and Academic Skills:</p> <p>Any introductory course of study in financial accounting that is included in the Business Transfer Assurance Guide must use business-related material to develop the following general learning outcomes and academic skills:</p> <ol style="list-style-type: none"> 1. Comprehend the broad role that accounting information plays in the economy* 2. Comprehend the nature, purposes and use of basic financial statements by all stakeholders* 3. Use the language of accounting and apply the important concepts on which financial reporting is based* 4. Analyze the impact of basic business transactions on the financial statements of a business corporation* 5. Compile basic financial statements for a simple corporate business entity* 6. Evaluate the financial performance of a simple corporation on the basis of its financial statements*
<p>Body of Knowledge Requirements: Any introductory course of study in financial accounting that is included in the Business Transfer Assurance Guide must provide coverage of <i>at least seventy percent</i> of the following topics:</p>
<p>I. The Environment of Accounting</p> <p>1.00 The Role of Accounting in Society</p> <ol style="list-style-type: none"> 1.01 Financial information and resource allocation 1.02 Accounting and the corporation 1.03 Auditing and credibility in reporting 1.04 Structure of the accounting profession 1.05 Ethics, reputation, and legal liability in accounting* 1.06 Types of business organizations
<p>2.00 Accounting Standards and Regulation Structures</p> <ol style="list-style-type: none"> 2.01 Financial statements and generally accepted accounting principles* 2.02 The FASB and financial accounting standards 2.03 Introduction of International Financial Reporting Standards (IFRS) 2.04 Government oversight of accounting and auditing
<p>II. The Accounting Model</p> <p>3.00 The Basic <i>Corporate</i> Financial Statements</p> <ol style="list-style-type: none"> 3.01 Income statement*

3.02 Statement of stockholders' equity* 3.03 Balance sheet* 3.04 Statement of cash flows* 3.05 Other elements of the corporate annual report
4.00 Analysis of Business Activity 4.01 The basic accounting equation* 4.02 Income measurement and accrual accounting* 4.03 Impact of simple transactions on the accounting equation* 4.04 Debits and credits 4.05 Accounting records (journals, ledgers, computer systems)
5.00 Preparation of Corporate Financial Statements 5.01 The accounting cycle (trial balances, adjustments, closing)* 5.02 Income statement* 5.03 Statement of stockholders' equity* 5.04 Balance sheet* 5.05 Statement of cash flows
III. Accounting for Key Domains of Business Activity
6.00 Revenues and Receivables 6.01 Accounting for service and merchandise revenues* 6.02 Reporting customer receivables - allowances and write-offs*
7.00 Merchandising and Inventory 7.01 Accounting for the cost of purchases and sales of merchandise* 7.02 Inventory records (perpetual, periodic) 7.03 Inventory accounting methods (FIFO, LIFO, etc.)* 7.04 Lower of cost or market valuation
8.00 Working Capital 8.01 Classification of current assets and liabilities* 8.02 Accounting for current liabilities 8.03 Management of working capital 8.04 Measures of working capital use (current ratio, etc.) 8.05 General internal control procedures*
9.00 Long-Lived Assets 9.01 Acquisition cost* 9.02 Depreciation accounting and depreciation methods* 9.03 Accounting for disposition of assets 9.04 Accounting for natural resources 9.05 Intangible assets
10.00 Long-Term Debt Financing 10.01 The nature of liabilities* 10.02 Accounting for long-term debt* 10.03 Effective interest or straight-line method for discount or premium amortization 10.04 Time value of money
11.00 Equity Financing 11.01 Debt vs. equity 11.02 Types of equity (preferred, common, treasury) 11.03 Accounting for stock (issuance, dividends)*

11.04 Book value vs. market value
IV. Using Financial Statements
12.00 Analysis of Financial Statements 12.01 Objectives of financial statement analysis 12.02 Sources of company information 12.03 Financial ratios*
13.00 The Annual Report 13.01 Accounting elements of annual report 13.02 Management elements of annual report 13.03 SEC reporting requirements
14.00 Intercompany Investments 14.01 The nature of long-term investments 14.02 Purchased goodwill
Note: Body of knowledge and learning outcomes marked with an asterisk (*) are considered fundamental and essential.

**BUSINESS TAG: FINANCIAL ACCOUNTING TAG COURSE
FACULTY PARTICIPANTS**

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Linda Zucca (Co-Leads)	Kent State University
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