

ITT Technical Institute  
**AC1420**  
**Financial Accounting**  
**Onsite and Online Course**

**SYLLABUS**

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**Credit hours:** 4.5

**Contact/Instructional hours:** 45 (45 Theory Hours)

**Prerequisite(s) and/or Corequisite(s):**

Prerequisite: AC1320 Accounting Principles II or equivalent

**Course Description:**

In this course, students practice producing financial statements using different classes of assets and inventory valuation methods. It includes the preparation of trial balances and the use of financial ratios to determine a measure of the financial health of a company.

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## COURSE SUMMARY

### COURSE DESCRIPTION

In this course, students practice producing financial statements using different classes of assets and inventory valuation methods. It includes the preparation of trial balances and the use of financial ratios to determine a measure of the financial health of a company.

### MAJOR INSTRUCTIONAL AREAS

1. Usefulness and tools of financial analysis
2. Financial statements
3. Financial statement analysis
4. Ethical standards in accounting

### COURSE LEARNING OBJECTIVES

By the end of this course, you should be able to:

1. Create a balance sheet that distinguishes between current and non-current assets and liabilities of a company.
2. Create a statement of stockholder's equity using a trial balance and balance sheet.
3. Create a comparison of net incomes based on different methods of inventory accounting.
4. Analyze a statement of cash flows to evaluate investments.
5. Prepare a full analysis of key financial ratios for a company.
6. Analyze financial statements for effective financial decision-making.
7. Apply ethical standards in accounting and reporting measures for government and social responsibility compliance.

## COURSE OUTLINE

### MODULE 1: ACCOUNTING ASSETS AND LIABILITIES

#### COURSE LEARNING OBJECTIVES COVERED

- Create a balance sheet that distinguishes between current and non-current assets and liabilities of a company.

#### TOPICS COVERED

- Current Liabilities
- Payroll
- Contingent Liabilities

MODULE LEARNING ACTIVITIES	GRADED	OUT-OF-CLASS TIME
<b>Reading:</b> Miller-Nobles, Mattison, & Matsumura, Chapter 11.	No	3 hr
<b>Lesson:</b> Study the lesson for this module.	No	1 hr
<b>Discussion:</b> Participate in the discussion titled “Current and Non-Current Assets and Liabilities.”	Yes	N/A
<b>Exercise:</b> Submit the exercise titled “Note and Bonus Payable.”	Yes	2 hr
<b>Quiz:</b> Prepare for Quiz 1.	No	2 hr
<b>Project:</b> Read and begin the project.	No	1 hr

Total Out-Of-Class Activities: 9 Hours

## MODULE 2: TRIAL BALANCE AND BALANCE SHEET

### COURSE LEARNING OBJECTIVES COVERED

- Create a balance sheet that distinguishes between current and non-current assets and liabilities of a company.
- Create a statement of stockholder's equity using a trial balance and balance sheet.

### TOPICS COVERED

- Trial Balance
- Adjusted Trail Balance
- Balance Sheet

MODULE LEARNING ACTIVITIES	GRADED	OUT-OF-CLASS TIME
<b>Reading:</b> Miller-Nobles, Mattison, & Matsumura, Chapter 12.	No	5.5 hr
<b>Lesson:</b> Study the lesson for this module.	No	2 hr
<b>Discussion:</b> Participate in the discussion titled "Adjusting Entries."	Yes	N/A
<b>Quiz:</b> Take Quiz 1.	Yes	N/A
<b>Exercise 1:</b> Submit the exercise titled "Trial Balance."	Yes	2 hr
<b>Exercise 2:</b> Submit the exercise titled "Adjusted Trial Balance."	Yes	2.5 hr
<b>Quiz:</b> Prepare for Quiz 2.	No	2 hr
<b>Project:</b> Continue work on Project Part 1.	No	4 hr

Total Out-Of-Class Activities: 18 Hours

### MODULE 3: STOCKHOLDER'S EQUITY

#### COURSE LEARNING OBJECTIVES COVERED

- Create a balance sheet that distinguishes between current and non-current assets and liabilities of a company.
- Create a statement of stockholder's equity using a trial balance and balance sheet.
- Create a comparison of net incomes based on different methods of inventory accounting.

#### TOPICS COVERED

- Treasury Stock
- Cash Dividends
- Equity

MODULE LEARNING ACTIVITIES	GRADED	OUT-OF-CLASS TIME
<b>Reading:</b> Miller-Nobles, Mattison, & Matsumura, Chapter 13.	No	6 hr
<b>Reading:</b> ITT Tech Virtual Library> Basic Search> <ul style="list-style-type: none"> <li>• “Analyze This: Cost Controls Help Maximize Cheesecake's Profit”</li> <li>• “Going Lean: How the Best Companies Apply Lean Manufacturing Principles to Shatter Uncertainty, Drive Innovation, and Maximize Profits”</li> </ul>	No	2 hr
<b>Lesson:</b> Study the lesson for this module.	No	2 hr
<b>Quiz:</b> Take Quiz 2.	Yes	N/A
<b>Exercise 1:</b> Submit the exercise titled “Treasury Stock and Cash Dividends.”	Yes	2.5 hr
<b>Exercise 2:</b> Submit the exercise titled “Preferred and Common Stock.”	Yes	2 hr
<b>Quiz:</b> Prepare for Quiz 3.	No	2 hr
<b>Project:</b> Submit Project Part 1.	Yes	4 hr

Total Out-Of-Class Activities: 20.5 Hours

## MODULE 4: INVENTORY ACCOUNTING

### COURSE LEARNING OBJECTIVES COVERED

- Create a balance sheet that distinguishes between current and non-current assets and liabilities of a company.
- Create a statement of stockholder's equity using a trial balance and balance sheet.
- Create a comparison of net incomes based on different methods of inventory accounting.

### TOPICS COVERED

- Perpetual Inventory
- Periodic Inventory
- Inventory Errors

MODULE LEARNING ACTIVITIES	GRADED	OUT-OF-CLASS TIME
<b>Reading:</b> Miller-Nobles, Mattison, & Matsumura, Chapter 6.	No	6 hr
<b>Reading:</b> ITT Tech Virtual Library> Basic Search> <ul style="list-style-type: none"> <li>• ““Just In Time” Applying the Concepts of Inventory in an Introductory Business Course”</li> <li>• “Changing Method of Accounting to Comply with New Retail-Inventory Method Regulations”</li> <li>• “FIFO Versus LIFO Issuing Policies for Stochastic Perishable Inventory Systems”</li> <li>• “Switching from LIFO”</li> <li>• “Inventory Valuation Under IFRS and GAAP”</li> </ul>	No	3.5 hr
<b>Lesson:</b> Study the lesson for this module.	No	2 hr
<b>Discussion:</b> Participate in the discussion titled “Inventory Error.”	Yes	N/A
<b>Quiz:</b> Take Quiz 3.	Yes	N/A
<b>Exercise 1:</b> Submit the exercise titled “Inventory Accounting.”	Yes	2.5 hr
<b>Exercise 2:</b> Submit the exercise titled “FIFO, LIFO, and Weighted Average.”	Yes	2.5 hr
<b>Quiz:</b> Prepare for Quiz 4.	No	2 hr
<b>Project:</b> Begin work on Project Part 2.	No	4 hr

Total Out-Of-Class Activities: 22.5 Hours

## MODULE 5: ANALYZING CASH FLOWS

### COURSE LEARNING OBJECTIVES COVERED

- Create a balance sheet that distinguishes between current and non-current assets and liabilities of a company.
- Create a statement of stockholder's equity using a trial balance and balance sheet.
- Create a comparison of net incomes based on different methods of inventory accounting.
- Analyze a statement of cash flows to evaluate investments.

### TOPICS COVERED

- Statement of Cash Flows
- Direct Method
- Indirect Method

MODULE LEARNING ACTIVITIES	GRADED	OUT-OF-CLASS TIME
<b>Reading:</b> Miller-Nobles, Mattison, & Matsumura, Chapter 14.	No	8 hr
<b>Lesson:</b> Study the lesson for this module.	No	2 hr
<b>Discussion:</b> Participate in the discussion titled "Cash Flow."	Yes	N/A
<b>Exercise:</b> Submit the exercise titled "Statement of Cash Flows."	Yes	2 hr
<b>Quiz:</b> Take Quiz 4.	Yes	N/A
<b>Project:</b> Continue work on Project Part 2.	No	5 hr

Total Out-Of-Class Activities: 17 Hours

## MODULE 6: ANALYZING FINANCIAL RATIOS AND STATEMENTS

### COURSE LEARNING OBJECTIVES COVERED

- Prepare a full analysis of key financial ratios for a company.
- Analyze financial statements for effective financial decision-making.
- Apply ethical standards in accounting and reporting measures for government and social responsibility compliance.

### TOPICS COVERED

- Financial Statements
- Horizontal and Vertical Analyses
- Financial Ratios

MODULE LEARNING ACTIVITIES	GRADED	OUT-OF-CLASS TIME
<b>Reading:</b> Miller-Nobles, Mattison, & Matsumura, Chapter 15.	No	3 hr
<b>Reading:</b> ITT Tech Virtual Library> Basic Search> <ul style="list-style-type: none"> <li>• “Assessing the Long-Term Financial Performance of Ethical Companies”</li> <li>• “Corporate Social Responsibility: An Ethical Approach”</li> <li>• “Measuring Corporate Social Responsibility”</li> <li>• “Training Is Critical for a Strong Ethical Culture”</li> </ul>	No	1 hr
<b>Lesson:</b> Study the lesson for this module.	No	1 hr
<b>Discussion:</b> Participate in the discussion titled “Investment Reclassification.”	Yes	N/A
<b>Exercise:</b> Submit the exercise titled “Financial Evaluation.”	Yes	2 hr
<b>Project:</b> Submit Project Part 2.	Yes	3 hr

Total Out-Of-Class Activities: 10 Hours



## EVALUATION AND GRADING

### EVALUATION CRITERIA

The graded assignments will be evaluated using the following weighted categories:

CATEGORY	WEIGHT
Discussion	15%
Exercise	25%
Quiz	25%
Project	35%
TOTAL	100%

### GRADE CONVERSION

The final grades will be calculated from the percentages earned in the course, as follows:

GRADE		PERCENTAGE
A	(4.0)	90–100%
B+	(3.5)	85–89%
B	(3.0)	80–84%
C+	(2.5)	75–79%
C	(2.0)	70–74%
D+	(1.5)	65–69%
D	(1.0)	60–64%
F	(0.0)	<60%

## LEARNING MATERIALS AND REFERENCES

### REQUIRED RESOURCES

#### COMPLETE TEXTBOOK PACKAGE

Miller-Nobles, T. L., Mattison, B. L., & Matsumura, E. M. (2016). *Horngren's financial & managerial accounting: The financial chapters (5th ed.)*. Prentice Hall.

### RECOMMENDED RESOURCES

- ITT Tech Virtual Library (accessed via Student Portal | <https://studentportal.itt-tech.edu>)
  - Basic Search>
    - Cho, S., Lee, C., & Park, C. K. (2012). Measuring corporate social responsibility. *CPA Journal*, pp. 54-60.
    - Huguen, L., Livingstone, J. R., & Upton, D. (2011). Switching from LIFO. *CPA Journal*, p. 26-29.
    - Jin-Woo, K. (2010). Assessing the long-term financial performance of ethical companies. *Journal of Targeting, Measurement & Analysis for Marketing*, pp. 199–208.
    - Krishnan, S., & Ping, L. (2012). Inventory valuation under IFRS and GAAP. *Strategic Finance*, pp. 51-58.
    - Llorens, J. (2008). Going lean: How the best companies apply lean manufacturing principles to shatter uncertainty, drive innovation, and maximize profits. *T+D*, p. 99.
    - Lockyer, S. E. (2009). Analyze this: Cost controls help maximize cheesecake's profit. *Nation's Restaurant News*, p. 11.
    - McPherson, B., & Wilkie, L. (2014). "Just in Time" Applying the concepts of inventory in an introductory business course. *Journal of International Diversity*, pp. 77-114.
    - Mora, K. M. (2015). Changing method of accounting to comply with new retail-inventory method regulations. *Tax Adviser*, p. 27-28.
    - Parlar, M., Perry, D., & Stadje, W. (2011). FIFO versus LIFO issuing policies for stochastic perishable inventory systems. *Methodology & Computing in Applied Probability*, pp. 405-417.

- Verschoor, C. C. (2014). Training is critical for a strong ethical culture. *Strategic Finance*, pp. 13–61.
- Windsor, D. (2013). Corporate social responsibility: An ethical approach. *Business Ethics Quarterly*, pp. 628-632.

## INSTRUCTIONAL METHODS AND TEACHING STRATEGIES

The curriculum employs a variety of instructional methods that support the course objectives while fostering higher cognitive skills. These methods are designed to encourage and engage you in the learning process in order to maximize learning opportunities. The instructional methods include but are not limited to lectures, collaborative learning options, use of technology, and hands-on activities.

To implement the above-mentioned instructional methods, this course uses several teaching strategies, such as critical thinking, numerical problems, and lessons. Your progress will be regularly assessed through a variety of assessment tools including discussions, exercises, quizzes, and a project.

## OUT-OF-CLASS WORK

For purposes of defining an academic credit hour for Title IV funding purposes, ITT Technical Institute considers a quarter credit hour to be the equivalent of: (a) at least 10 clock hours of classroom activities and at least 20 clock hours of outside preparation; (b) at least 20 clock hours of laboratory activities; or (c) at least 30 clock hours of externship, practicum or clinical activities. ITT Technical Institute utilizes a “time-based option” for establishing out-of-class activities which would equate to two hours of out-of-class activities for every one hour of classroom time. The procedure for determining credit hours for Title IV funding purposes is to divide the total number of classroom, laboratory, externship, practicum and clinical hours by the conversion ratios specified above. A clock hour is 50 minutes.

A credit hour is an artificial measurement of the amount of learning that can occur in a program course based on a specified amount of time spent on class activities and student preparation during the program course. In conformity with commonly accepted practice in higher education, ITT Technical Institute has institutionally established and determined that credit hours awarded for coursework in this program course (including out-of-class assignments and learning activities described in the “Course Outline” section of this syllabus) are in accordance with the time-based option for awarding academic credit described in the immediately preceding paragraph.

**ACADEMIC INTEGRITY**

All students must comply with the policies that regulate all forms of academic dishonesty or academic misconduct. For more information on the academic honesty policies, refer to the Student Handbook and the School Catalog.

**INSTRUCTOR DETAILS**

Instructor Name	
Office Hours	
Contact Details	

*(End of Syllabus)*