

## **Syllabus**

### **Course Overview**

Consider the following questions:

- Why is accounting so popular on college and university campuses?
- Why are there so many accounting jobs for graduates?
- Why is accounting so important to companies?
- Why do politicians and business leaders focus on accounting regulations?

The answer to all these questions is that we live in an information age where information—and its reliability—impacts the financial well-being of everyone. After all, accounting is the language of business.

This course introduces you to:

- Generally accepted accounting principles, which provide guidance for an organization's financial accounting systems and reports generated by these systems, such as income statements and balance sheets.
- Ways that external stakeholders and internal managers and leaders use accounting information to assess the performance and financial strength of an organization.

### **Course Competencies**

**(Read Only)**

To successfully complete this course, you will be expected to:

- 1 Analyze the relationship between business events and accounting.
- 2 Apply accounting principles as the language of business.
- 3 Communicate the effects of business events on an organization's financial structure.

### **Course Prerequisites**

Prerequisite(s): BUS3060 or BUS3061.





## Syllabus >> Course Materials

### Required

The materials listed below are required to complete the learning activities in this course.

### Integrated Materials

Many of your required books are available via the VitalSource Bookshelf link in the courseroom, located in your Course Tools. Registered learners in a Resource Kit program can access these materials using the courseroom link on the Friday before the course start date. Some materials are available only in hard-copy format or by using an access code. For these materials, you will receive an email with further instructions for access. Visit the [Course Materials](#) page on Campus for more information.

#### Book

Wild, J. J., & Shaw, K. W. (2019). *Financial and managerial accounting: Information for decisions* (8th ed.). New York, NY: McGraw-Hill. ISBN: 9781260247855

### Library

The following required readings are provided in the Capella University Library or linked directly in this course. To find specific readings by journal or book title, use [Journal and Book Locator](#). Refer to the [Journal and Book Locator library guide](#) to learn how to use this tool.

- Byrnes, N., McNamee, M., Brady, D., Lavelle, L., & Palmeri, C. (2002). [Accounting in crisis](#). *BusinessWeek*, 3767, 44–48.
- Shaw, G. K. (2004, 20 May). [NASA's bookkeeping system still won't fly after \\$565 billion in "adjustments."](#) Orlando Sentinel, p. A8.

## Suggested

The following materials are recommended to provide you with a better understanding of the topics in this course. These materials are not required to complete the course, but they are aligned to course activities and assessments and are highly recommended for your use.

## Optional

The following optional materials are offered to provide you with a better understanding of the topics in this course. These materials are not required to complete the course.

# Unit 1 >> Accounting in the Business Framework

## Introduction

Accounting is the language a business uses to communicate to its many stakeholders how well it is performing:

- Investors want to know how their money has been used and what return they will receive for their investment.
- Creditors want to know the business has the financial resources to continue their business relationship.
- Potential investors want to know if a business is a good investment for their funds.
- Employees of a business want to know that their hard work is paying off in continued employment.

Each of these stakeholders has a vested interest in the success of the business, and financial reporting will provide them with the data needed to make business and investment decisions.

Unit 1 introduces the importance of accounting in an organization, identifies users and uses of accounting data, explains the role of ethics within the accounting framework, and discusses how business transactions are reflected in the reporting of its financial results.

## Learning Activities

### u01s1 - Studies

## Readings

Complete the following:

- Use your *Financial and Managerial Accounting: Information for Decisions* text to read:
  - Chapter 1, "Introducing Accounting in Business," pages 2–29.
- Use the Capella library to read:
  - Byrnes, N., McNamee, M., Brady, D., Lavelle, L., & Palmeri, C. (2002). [Accounting in crisis](#). *BusinessWeek*, 3767, 44–48.

## Optional Media

The publisher of your textbook has created PowerPoint presentations to supplement your text. These materials highlight important concepts and can be viewed before or after reading the text. Access the following materials to introduce you to the content for this unit and to supplement the textbook reading:

- [Chapter 1 PowerPoint Presentation](#).

## Optional – Smarthinking Account Setup

Capella offers free real-time online tutoring and custom critique of papers through Smarthinking. Simply go to [Smarthinking](#) to learn more.

Smarthinking offers tutoring in the following subjects:

- Basic math.
- Algebra.
- Geometry.
- Trigonometry.
- Calculus.
- Statistics.
- Biology.
- Chemistry.
- Accounting.
- Economics.
- Finance.
- Writing.

Advanced subject tutoring is available by scheduled appointment. Topics include:

- Advanced statistics.
- Organic chemistry.
- Introductory finance.
- Math beyond calculus 2.

#### u01s1 - Learning Components

- Enter information in worksheet.
- Enter income and expenses in statement form.
- Show calculations.
- Compute ROA ratios.
- Analyze ROA results.
- Discuss best choice.
- Classify business activities

#### u01d1 - Accounting Reform

In the article "Accounting in Crisis," the authors state that the "accounting industry, which largely regulates itself, has steadfastly resisted change, even in the face of repeated audit failures and scandals" (Byrnes, McNamee, Brady, Lavelle, & Palmeri, 2002, p. 44). The article offers "seven proposals that could go a long way to re-establishing the public trust" (Byrnes, McNamee, Brady, Lavelle, & Palmeri, 2002, p. 45).

For this discussion, select one of the seven proposals from the article. From the point of view of the chairman of the Financial Accounting Standards Board, discuss how the proposal you select would work and how it might fail.

Post your initial response in this discussion by midnight Wednesday central standard time of the unit week. Refer to the Discussion Participation Scoring Guide for posting expectations. Unless otherwise stated, this will be the expectation for all discussions in this course.

### Response Guidelines

From the perspective of a Financial Accounting Standards Board member, respond to at least two of your fellow (board member) learners by midnight Sunday central standard time of the unit week. Respectfully challenge one another's assumptions and ask follow-up questions about the chairman's choice of a plan.

#### Reference

Byrnes, N., McNamee, M., Brady, D., Lavelle, L., & Palmeri, C. (2002). Accounting in crisis. *BusinessWeek*, 3767, 44–48.

Undergraduate Discussion Participation Scoring Guide

[Accounting in Crisis](#)

### **u01a1 - Transactions and Statements**

Use the Unit 1 Assignment 1 Template linked in the Resources to complete problem 1-9B on page 39 in your textbook.

Review the Transactions and Statements Scoring Guide to ensure you have met the criteria for this assignment prior to submission. Submit your completed problem in the assignment area.

Unit 1 Assignment 1 Template

*Financial and Managerial Accounting: Information for Decisions*

### **u01a2 - Return on Assets Ratio**

Use the Unit 1 Assignment 2 Template linked in the Resources to complete the following:

- Problem 1-11B on page 40 in your textbook.
- Problem 1-13B on page 40 in your textbook.

Review the Return on Assets Ratio Scoring Guide to ensure you have met the criteria for this assignment prior to submission. Submit your completed problem in the assignment area.

*Financial and Managerial Accounting: Information for Decisions*

## Unit 2 >> The Accounting Cycle Begins

### Introduction

In this unit we begin our focus on the accounting cycle. The cycle begins when business events are translated to transactions, which affect the financial health of a business, and ends with the preparation of financial statements used to communicate financial health to the various stakeholders of the business.

This unit presents the steps in the accounting cycle and describes the source documents and their purposes. You will also analyze the impact of transactions on business accounts and financial statements, record transactions in a journal, post entries to a ledger, and prepare a trial balance.

### Learning Activities

#### u02s1 - Studies

### Readings

Use your *Financial and Managerial Accounting* text to read Chapter 2, "Analyzing and Recording Transactions," pages 50–76.

### Multimedia

Click **The Accounting Cycle** to launch the animation.

- Use this animation to become more familiar with the accounting cycle process.

### Optional Media

The publisher of your textbook has created PowerPoint presentations to supplement your text. These materials highlight important concepts and can be viewed before or after reading the text. Access the following materials to introduce you to the content for this unit and to supplement the textbook reading:

- [Chapter 2 PowerPoint Presentation](#).

### u02s1 - Learning Components

- Prepare journal entries.
- Post journal entries.
- Show calculations.
- Create trial balance statement.
- Create financial statement.
- Create financial statement.
- Calculate ratio.

### u02d1 - Ethical Issues: Debits and Credits

Rhonda Jenkins is the senior accountant for Janitorial Supplies, Inc., a regional supplier of janitorial supplies to multiple Fortune 500 companies with a December fiscal year-end. As Rhonda was preparing the 2016 financial statements for publication, she noticed several odd transactions for December in the general ledger. For example, rent on the office and warehouse for January 2017, which was paid on December 15, was recorded by debiting rent expense instead of prepaid rent.

On another transaction, Rhonda noticed that the purchase of cleaning supplies was recorded with a debit to insurance expense instead of cleaning supplies inventory. Rhonda continued to discover that the December ledger contained numerous such errors. In spite of these errors, the trial balance was correct.

Rhonda traced all of these errors back to the hiring of a part-time bookkeeper, who just happened to be her nephew, and was working during his semester break to earn more money for his schooling. After speaking with her nephew, she decided that the mistakes were not made intentionally, but due to a lack of financial accounting experience.

For this discussion topic, complete the following:

- Discuss what ethical issues are involved for the business and Rhonda personally as senior accountant.
- Analyze and prepare a response with Rhonda's alternatives. Then, decide which would be the most ethical with regards to the business.

## Response Guidelines

From the perspective of a member of the accounting staff, respond to at least two of your fellow learners with questions or issues they did not address in their original presentations by midnight Sunday of the unit week. Critically evaluate the issues that have been considered. Identify other issues that might not have been considered. Also, be prepared to respond to your instructor's follow-up questions.

### **u02a1 - Journal Entries and Trial Balance**

Use the Unit 2 Assignment 1 Template linked in the Resources to complete problem 2-2B on page 77 in your textbook.

Review the Journal Entries and Trial Balance Scoring Guide to ensure you have met the criteria for this assignment prior to submission. Submit your completed problem in the assignment area.

### **u02a2 - Financial Statement Analysis**

Use the Unit 2 Assignment 2 Template linked in the Resources to complete problem 2-5B on page 79 in your textbook.

Review the Financial Statement Analysis Scoring Guide to ensure you have met the criteria for this assignment prior to submission. Submit your completed problem in the assignment area.

## Unit 3 >> Adjustments and Financial Statements

### Introduction

The annual reporting period is not always a calendar year ending on December 31. An organization can elect to adopt a fiscal year consisting of any 12 consecutive months or 52 consecutive weeks. Regardless of which reporting period an organization chooses, the end of a reporting period requires adjustments that are often necessary to properly reflect revenues earned and expenses incurred.

Following these adjustments, an adjusted trial balance will be prepared. It is from this adjusted trial balance that the necessary financial statements will be prepared. Lastly, certain ledger accounts will require their balances to be closed so they can begin the next accounting period with zero balances. These accounts are known as temporary or nominal accounts. When all of this work has been completed, a new accounting period will begin, and the cycle will repeat itself.

### Learning Activities

#### u03s1 - Studies

## Readings

Use your textbook and the Internet to complete the following:

- Use your *Financial and Managerial Accounting* text to read:
  - Chapter 3, "Adjusting Accounts and Preparing Financial Statements," pages 96–131.
- Use the Capella library to read:
  - Shaw, G. K. (20 May, 2004). [NASA's bookkeeping system still won't fly after \\$565 billion in "adjustments."](#) *Orlando Sentinel*, p. A8.

## Optional Media

The publisher of your textbook has created PowerPoint presentations to supplement your text. These materials highlight important concepts and can be viewed before or after reading the text. Access the following materials to introduce you to the content for this unit and to supplement the textbook reading:

- [Chapter 3 PowerPoint Presentation](#).

## u03s1 - Learning Components

- Identify adjusting entries.
- Prepare journal entries.
- Show calculations.
- Set up ledger accounts.
- Prepare trial balance.
- Prepare financial statements.
- Prepare adjusting journal entries.
- Prepare closing journal entries.

## u03d1 - Fixing the Big NASA Accounting Mess

According to NASA's former auditor, PricewaterhouseCoopers (PwC), NASA's finances are a mess, with major errors in its last financial statements and insufficient documentation. NASA has claimed that the problems were due to a complicated transition from a system that used several different accounting programs to a new integrated accounting system. According to PwC, the financial chaos stems from basic accounting mistakes and a breakdown in NASA's internal controls.

For this discussion, refer to Shaw's article, "NASA's Bookkeeping System Still Won't Fly After \$565 Billion in 'Adjustments'," linked in the Resources, and complete the following:

- Describe the financial and accounting problems at NASA from your perspective as a hired accounting consultant.
- Provide some recommendations for getting this troubled organization back on track.
- Research the current state of NASA's accounting problems and discuss whether your recommendations were implemented.
- Use any available resources to complete your discussion.
- Post your initial response by midnight Wednesday central standard time of this unit week.

## Response Guidelines

From the perspective of a senior member of NASA's accounting department, respond to at least two of your fellow (consultant) learners by midnight Sunday central standard time of this unit week with any questions or challenges you may have for the consultant brought in to fix NASA's accounting problems.

Course Resources

Undergraduate Discussion Participation Scoring Guide

[NASA's bookkeeping system still won't fly after \\$565 billion in "adjustments."](#)

### u03a1 - End-of-the-Cycle Work

Use the Unit 3 Assignment 1 Template linked in the Resources to complete the following:

- Problem 3-1B on page 134 in your textbook.
- Problem 3-2B on page 134 in your textbook.

Review the End-of-the-Cycle Work Scoring Guide to ensure you have met the criteria for this assignment prior to submission. Submit your completed problem in the assignment area.

#### Course Resources

*Financial and Managerial Accounting: Information for Decisions*

Unit 3 Assignment 1 Template

### u03a2 - Closing the Accounting Period

Use the Unit 3 Assignment 2 Template linked in the Resources to complete problem 3-5B on page 136 in your textbook.

Review the Closing the Accounting Period Scoring Guide to ensure you have met the criteria for this assignment prior to submission. Submit your completed problem in the assignment area.

#### Course Resources

*Financial and Managerial Accounting: Information for Decisions*

Unit 3 Assignment 2 Template

## Introduction

Previous units emphasized accounting and reporting activities for businesses that provide services. In contrast to this business type, merchandisers earn their revenues through the purchase and resale of goods. The two most common types of merchandisers are wholesalers and retailers. A wholesaler generally purchases goods from a manufacturer and sells them to retailers or other intermediaries. A retailer buys direct from either the manufacturer or a wholesaler and resells these goods to consumers.

There are some fundamental differences between accounting for merchandise and service operations. In this unit, you will study the similarities and differences between the two types of accounting systems.

## Learning Activities

### u04s1 - Studies

## Readings

Use your *Financial and Managerial Accounting* text to read Chapter 4, "Accounting for Merchandising Operations," pages 160–188.

## Optional Media

The publisher of your textbook has created PowerPoint presentations to supplement your text. These materials highlight important concepts and can be viewed before or after reading the text. Access the following materials to introduce you to the content for this unit and to supplement the textbook reading:

- [Chapter 4 PowerPoint Presentation](#).

### u04s1 - Learning Components

- Journalize purchases.
- Journalize sales.
- Record cash transactions.
- Show calculations.
- Journalize adjustment transactions.
- Prepare financial statement.
- Prepare financial statement.
- Calculate ratios.

## u04d1 - Is that Really an Ethical Practice?

WestWorld Robotics wishes to expand their business operations and has borrowed \$250,000 from a regional bank where they manufacture state-of-the-art robotic limbs. As a condition for the loan, Midland Bank is requiring that WestWorld maintain a current ratio of a minimum 1.5:1.

Orders for the company's products have been very good, however, not what was expected during financial planning for the year. The costs to expand the business have resulted in a current ration of 1.4:1 on December 10. Jayson Hopwood, CEO and sole shareholder of the business, is wondering what the effects might be if he reports a current ratio of 1.4:1 to Midland Bank.

One option for Hopwood is to record and report a large sale of the company's products in December that will actually not occur until a few days after the new accounting period begins on January 1. The contract has been signed for the sale, but no monies or products have changed hands.

For this discussion:

1. Prepare a journal entry to record the transaction as of December 10, assuming the amount is \$75,000. Also, indicate how recording this transaction in December could affect the company's current ratio.
2. Discuss if it is ethical to record and report this sale transaction in December, highlighting any accounting principle relevant to this situation.

Your initial post should be completed by midnight Wednesday central standard time of this unit week.

## Response Guidelines

From the perspective of the company's CFO (Chief Financial Officer) and having just listened to your CFO explain his reasoning, respond to at least two of your fellow (CFO) learners with any questions or challenges you may have for his or her explanation of the ethics of this situation by midnight Sunday central standard time of this unit week.

### Course Resources

[Undergraduate Discussion Participation Scoring Guide](#)

## u04a1 - Merchandising Activities Journal Entries

Use the Unit 4 Assignment 1 Template linked in the Resources to complete Problem 4-1B on page 182 in your textbook.

Review the Merchandising Activities Journal Entries Scoring Guide to ensure you have met the criteria for this assignment prior to submission. Submit your completed problem in the assignment area.

#### Course Resources

*Financial and Managerial Accounting: Information for Decisions*

Unit 4 Assignment 1 Template

### **u04a2 - End-of-Period Adjustments, Statements, and Ratios**

Use the Unit 4 Assignment 2 template linked in the Resources to complete problem 4-5B on page 184 in your textbook.

Review the End-of-Period Adjustments, Statements, and Ratios Scoring Guide to ensure you have met the criteria for this assignment prior to submission. Submit your completed problem in the assignment area.

#### Course Resources

*Financial and Managerial Accounting: Information for Decisions*

Unit 4 Assignment 2 Template

## **Unit 5 >> Inventory Valuation and Cost of Sales**

### **Introduction**

Accounting for inventory affects both the balance sheet and the income statement. The major goal in accounting for inventory is to properly match costs with sales and, as such, use the matching principle to decide how much of the cost of goods available for sale is deducted from sales and how much is carried forward as inventory and matched against future sales.

This unit extends our analysis of merchandising activities by focusing on the valuation of the organization's inventory that is available for sale to wholesalers and point-of-sale consumers. An understanding of inventory accounting helps in the analysis and interpretation of financial statements prepared by large retailers such as Walmart and small owner-operated specialty retailers such as Surf Diva.

In this unit, you will identify the items making up merchandise inventory and identify the costs of merchandise inventory. Several perpetual inventory valuation methods will be presented along with the lower of cost or market inventory method.

## Learning Activities

### u05s1 - Studies

## Readings

Use your *Financial and Managerial Accounting* text to read Chapter 5, "Inventories and Cost of Sales," pages 208–236.

## Optional Media

The publisher of your textbook has created PowerPoint presentations to supplement your text. These materials highlight important concepts and can be viewed before or after reading the text. Access the following materials to introduce you to the content for this unit and to supplement the textbook reading:

- [Chapter 5 PowerPoint Presentation](#).

### u05s1 - Learning Components

- Compute financial figures.
- Compute inventory costs.
- Compute profit figures.
- Justify inventory preference.
- Journalize adjustment.
- Calculate turnover ratios.
- Calculate inventory ratios.
- Discuss ratio findings.

### u05a1 - Alternative Cost Flows – Perpetual

Use the Unit 5 Assignment 1 Template linked in the Resources to complete problem 5-3B on page 227 in your textbook.

Review the Alternative Cost Flows – Perpetual Scoring Guide to ensure you have met the criteria for this assignment prior to submission. Submit your completed problem in the assignment area.

Course Resources

*Financial and Managerial Accounting: Information for Decisions*

Unit 5 Assignment 1 Template

### **u05a2 - Alternate Inventory Valuation Method and Ratios**

Use the Unit 5 Assignment 2 Template linked in the Resources to complete the following:

- Problem 5-5B on page 228 in your textbook.
- Exercise 5-13 on page 222 in your textbook.

Review the Alternate Inventory Valuation Method and Ratios Scoring Guide to ensure you have met the criteria for this assignment prior to submission. Submit your completed problem in the assignment area.

Course Resources

*Financial and Managerial Accounting: Information for Decisions*

Unit 5 Assignment 2 Template

### **u05d1 - Reflection**

At this point, you have studied financial accounting concepts and principles and financial statement reporting. Thinking about these concepts, answer the following questions in your initial post:

- What did you find to be the most complicated?
- What did you find to be the least complicated?
- What concept or principle surprised you the most?
- Which concepts and principles do you believe you will use the most in your professional life? Explain.

## Response Guidelines

Responding is recommended, not required.

### Course Resources

[Undergraduate Discussion Participation Scoring Guide](#)

### u05q1 - Midterm Quiz

This quiz covers the readings for Units 1–5 and will test your knowledge of business transactions, the accounting cycle, adjustments and financial statements, and merchandise business accounting systems.

The quiz provides an opportunity for you to demonstrate your mastery of the following course competencies:

- Analyze the relationship between business events and accounting.
- Apply accounting principles as the language of business.
- Communicate the effects of business events on an organization's financial structure.

Read the following instructions and parameters before taking the quiz:

- There is no time limit on the quiz.
- You must access, take, and submit the quiz in this unit. The quiz will be available at the beginning of Unit 5.
- Once you have answered all questions, submit your quiz to receive credit. It is automatically scored, and you will receive feedback immediately. There are 100 total points possible. Each question is worth 4 points.
- You may access the quiz to view the questions; however, you cannot retake the quiz. Once the grade is recorded, it cannot be changed.
- Since you will only be able to access and take the quiz one time, do not access it until you are ready to complete it.

To start the quiz:

1. Click the linked quiz title to access the quiz.

2. If you have any issues with the quiz, contact your instructor.

## Unit 6 >> Internal Control of Cash and Equivalents

### Introduction

All business organizations, whether a large corporation or sole proprietorship, need to maintain internal control over the assets belonging to the business. This is especially important when it comes to the lifeblood of the organization: cash and cash equivalents. A properly designed internal control system is a key part of systems design, analysis, and performance. Managers and owners place a high priority on internal control systems because they can prevent avoidable losses, help managers plan operations, and monitor organization performance. Internal controls do not provide guarantees; however, they do lower the organization's risk of loss.

In this unit, you will apply internal control to cash receipts and disbursements, maintain a petty cash fund, and prepare the organization's bank reconciliation of its cash and cash equivalents.

### Learning Activities

#### u06s1 - Studies

### Readings

Use your *Financial and Managerial Accounting* text to read Chapter 6, "Cash and Internal Controls," pages 256–285.

### Optional Media

The publisher of your textbook has created PowerPoint presentations to supplement your text. These materials highlight important concepts and can be viewed before or after reading the text. Access the following materials to introduce you to the content for this unit and to supplement the textbook reading:

- [Chapter 6 PowerPoint Presentation](#).

#### u06s1 - Learning Components

- Identify control violations.

- Journalize petty cash start-up.
- List petty cash expenses.
- Journalize reimbursement increase.
- Reconcile cash transactions.
- Journalize necessary adjustments.
- Discuss bank memorandums.

## u06d1 - A Case of Reconciliation Fraud

Three office assistants work for Dr. Nancy Darsch, a family physician in private practice. Dr. Darsch is knowledgeable about office management practices and has segregated the cash receipt duties as follows:

- Assistant 1 opens the mail and prepares a triplicate list of money received.
- Assistant 1 sends one copy of the list to Assistant 2, the cashier, who deposits the receipts daily in the bank.
- Assistant 3, the record keeper, receives a copy of the list and posts payments to patients' accounts.

About once a month, the office assistants have an expensive lunch they pay for as follows:

- Assistant 1 endorses a patient's check in Dr. Darsch's name and cashes it at the bank.
- Assistant 2 then destroys the remittance advice accompanying the check.
- Assistant 3 posts payment to the customer's account as a miscellaneous credit.

Dr. Darsch has become suspicious of her assistants' actions and has asked you to consult with her. She has three questions:

- How could a bank reconciliation uncover this office fraud?
- What procedures could be used to detect this type of fraud?
- What additional controls could be implemented to prevent this from happening in the future?

Post your response to Dr. Darsch's questions by midnight Wednesday central standard time of this unit week.

## Response Guidelines

Taking the role of Dr. Darsch, respond to at least two (consultant) learners with any additional comments or questions you may have based on the consultant's answers to the questions above. All responses should be completed by midnight Sunday central standard time of this unit week.

Course Resources

Undergraduate Discussion Participation Scoring Guide

## u06a1 - Internal Control and Petty Cash

Use the Unit 6 Assignment 1 Template linked in the Resources to complete the following:

- Problem 6-1B on page 263 in your textbook.
- Problem 6-3B on page 264 in your textbook.

Review the Internal Control and Petty Cash Scoring Guide to ensure you have met the criteria for this assignment prior to submission. Submit your completed problem in the assignment area.

### Course Resources

*Financial and Managerial Accounting: Information for Decisions*

Unit 6 Assignment 1 Template

## u06a2 - Bank Reconciliation and Adjustments

Use the Unit 6 Assignment 2 Template linked in the Resources to complete problem 6-4B on page 265 in your textbook.

Review the Bank Reconciliation and Adjustments Scoring Guide to ensure you have met the criteria for this assignment prior to submission. Submit your completed problem in the assignment area.

### Course Resources

*Financial and Managerial Accounting: Information for Decisions*

Unit 6 Assignment 2 Template

## Introduction

Receivables represent amounts of money due from another party. Less common examples of this type of asset account include interest receivable, rent receivable, tax refund receivable, and receivables from employees. The two most common receivable types are accounts receivable and notes receivable. Accounts receivable are monies owed to a business from customers for sales of merchandise on credit. This type of receivable comes about when customers use credit cards issued by third parties and when a business gives credit directly to its customers. When a business does extend credit directly to customers, it will most likely maintain a separate account receivable for each customer, most likely in a subsidiary journal to the main accounts receivable account. The business will also account for bad debts from credit sales.

A note receivable is a short-term promise to pay a specific amount of money, with interest, on demand or at a specified future date. These notes are used in transactions such as paying for large amounts of goods or services, and lending and borrowing money. A business may sometimes grant an overdue account receivable with additional time to pay their account by making them sign such a note receivable.

This unit describes both types of receivables, their uses, and how they are accounted for and reported in financial statements.

## Learning Activities

### u07s1 - Studies

## Readings

Use your *Financial and Managerial Accounting* text to read Chapter 7, "Accounts and Notes Receivable," pages 300–321.

## Optional Media

The publisher of your textbook has created PowerPoint presentations to supplement your text. These materials highlight important concepts and can be viewed before or after reading the text. Access the following materials to introduce you to the content for this unit and to supplement the textbook reading:

- [Chapter 7 PowerPoint Presentation](#).

### u07s1 - Learning Components

- Journalize receivables transactions.
- Journalize notes transactions.
- Explain loan pledging.

- Show calculations.

## u07d1 - Dubious Doubtable Accounts

The following scenario and questions are adapted from page 353 in your textbook:

Anton Blair is the manager of a medium-size company. A few years ago, Blair persuaded the owner to base a part of his compensation on the net income the company earns each year. Each December, he estimates year-end financial figures in anticipation of the bonus he will receive. If the bonus is not as high as he would like, he offers several recommendations to the accountant for year-end adjustments. One of his favorite recommendations is for the controller to reduce the estimate of doubtful accounts.

As the financial auditor for this company, you have been asked for clarification concerning this practice by the company's owner. In your discussion of this scenario, answer the following questions posed by the owner:

- What effect does lowering the estimate for doubtful accounts have on the income statement and balance sheet?
- What type of internal control or controls might be useful for this company in overseeing the manager's recommendations for accounting changes?

Post your discussion answers to the company owner's questions by midnight Wednesday central standard time of this unit week.

## Response Guidelines

From the perspective of the company's owner, respond to a minimum of two of your fellow (accounting consultant) learners with any additional questions, requests for more information, or challenges you may have for the accounting consultant by midnight Sunday central standard time of this unit week.

### Reference

Wild, J. J., Shaw, K. W., & Chiappetta, B. (2018). *Financial and managerial accounting: Information for decisions* (7th ed.). Boston, MA: McGraw-Hill. ISBN: 9781259726705

### Course Resources

Undergraduate Discussion Participation Scoring Guide

*Financial and Managerial Accounting: Information for Decisions*

## u07a1 - Accounts Receivable Transactions

Use the Unit 7 Assignment 1 Template linked in the Resources to complete problem 7-4B on page 298 in your textbook.

Review the Accounts Receivable Transactions Scoring Guide to ensure you have met the criteria for this assignment prior to submission. Submit your completed problem in the assignment area.

### Course Resources

*Financial and Managerial Accounting: Information for Decisions*

Unit 7 Assignment 1 Template

## u07a2 - Notes Receivable Transactions

Use the Unit 7 Assignment 2 Template linked in the Resources to complete problem 7-5B on page 298 in your textbook.

Review the Notes Receivable Transactions Scoring Guide to ensure you have met the criteria for this assignment prior to submission. Submit your completed problem in the assignment area.

### Course Resources

*Financial and Managerial Accounting: Information for Decisions*

Unit 7 Assignment 2 Template

## Unit 8 >> Accounting for Long-Term Assets

### Introduction

When scanning the financial statements of an organization, one cannot help but notice which category of assets on the balance sheet has the largest dollar percentage of the total assets. That distinction would almost always go to long-term assets. For most organizations, these assets are the most productive, and are responsible for generating much of the organization's revenues without incurring a substantial portion of its ongoing expenses.

Long-term assets can be grouped into plant assets, natural resource assets, and intangible assets. Plant assets, consisting of buildings, land, and equipment, yield depreciation (except for land) that is a large non-cash expense on an organization's income statement. The acquisition or building of a plant asset is often referred to as a capital expenditure. These expenditures are vital to the success of an organization's goals. Natural resource and intangible assets can have a similar impact depending on the type of business the organization generates.

In this unit, we examine the purchase and use of these assets, what distinguishes these assets from other asset types, how to determine their cost, allocating their costs to accounting periods benefiting from their use, and how to dispose of them.

## Learning Activities

### u08s1 - Studies

## Readings

Use your *Financial and Managerial Accounting* text to read Chapter 8, "Long-Term Assets," pages 334–360.

## Optional Media

The publisher of your textbook has created PowerPoint presentations to supplement your text. These materials highlight important concepts and can be viewed before or after reading the text. Access the following materials to introduce you to the content for this unit and to supplement the textbook reading:

- [Chapter 8 PowerPoint Presentation](#).

### u08s1 - Learning Components

- Calculate asset depreciation.
- Journalize asset purchase.
- Journalize asset costs.
- Journalize depreciation transactions.
- Journalize asset disposal transactions.
- Show calculations.

## u08d1 - Legitimate Decision or Ethical Violation

The following scenario and questions are adapted from page 397 in your textbook:

You are the owner of a small business and manage its accounting function. Your company just finished a year in which a large amount of borrowed funds was invested in a new building addition and in new equipment and fixture additions. Your banker has required you to submit semiannual financial statements so he can monitor the financial health of your business. He has warned you that if profit margins erode, he might raise the interest rate on the borrowed funds to reflect the increased loan risk from the bank's point of view. You know that profit margins are likely to decline this year. As you prepare year-end adjusting entries, you decide to apply the following depreciation rule: All asset additions are considered to be in use on the first day of the following month—the previous rule assumed assets are in use on the first day of the month nearest the purchase date.

You anticipate your banker may ask the following questions when you meet with him in a couple of weeks: Is your new rule an ethical violation or is it a legitimate decision in computing depreciation? How will the new depreciation rule affect the profit margin of your business?

For this discussion, formulate how you would address these questions and any others you believe may come up during your meeting with your banker.

Post your discussion reply by midnight Wednesday of this unit week.

## Response Guidelines

From the perspective of the banker being asked to approve a loan to the company president, respond to a minimum of two of your fellow (company president) learners. Be sure to address any follow-up questions or requests for more information you may have for him or her by midnight Sunday central standard time of this unit week.

### Reference

Wild, J. J., Shaw, K. W., & Chiappetta, B. (2018). *Financial and managerial accounting: Information for decisions* (7th ed.). Boston, MA: McGraw-Hill. ISBN: 9781259726705

### Course Resources

[Undergraduate Discussion Participation Scoring Guide](#)

## u08a1 - Plant Asset Depreciation

Use the Unit 8 Assignment 1 Template linked in the Resources to complete problem 8-2B on page 334 in your textbook.

Review the Plant Asset Depreciation Scoring Guide to ensure you have met the criteria for this assignment prior to submission. Submit your completed problem in the assignment area.

### Course Resources

*Financial and Managerial Accounting: Information for Decisions*

Unit 8 Assignment 1 Template

## u08a2 - Disposal of Plant Assets

Use the Unit 8 Assignment 2 Template linked in the Resources to complete problem 8-6B on page 335 in your textbook.

Review the Disposal of Plant Assets Scoring Guide to ensure you have met the criteria for this assignment prior to submission. Submit your completed problem in the assignment area.

### Course Resources

*Financial and Managerial Accounting: Information for Decisions*

Unit 8 Assignment 2 Template

## Unit 9 >> Accounting for Current Liabilities

### Introduction

All liabilities for an organization reported in the financial statements exhibit three distinct characteristics: definition, classification, and uncertainty. No liability can be reported when one or more of these characteristics is missing.

As an example of liability definition, most organizations expect to pay salaries or wages to their employees in the months and years to come; however, these future payments are not liabilities because no past event such as employee work resulted in a present obligation.

Information about liabilities is most useful when the balance sheet identifies them as either current or long-term. Managers need to know when obligations are due so they can plan for them and take appropriate action. This is the essence of classifying liabilities.

Uncertainty in liabilities involves addressing three important questions: Whom to pay? When to pay? How much to pay? The answers to these questions will help accounting employees make the correct entries, post to the correct customer accounts, and reconcile liability amounts to the financial statements.

This unit presents business events that trigger accounting transactions for known current, estimated, and contingent liabilities. You will learn how to identify, compute, record, and report current liabilities in financial statements.

## Learning Activities

### u09s1 - Studies

## Readings

Use your *Financial and Managerial Accounting* text to read Chapter 9, "Current Liabilities," pages 376–402.

## Optional Media

The publisher of your textbook has created PowerPoint presentations to supplement your text. These materials highlight important concepts and can be viewed before or after reading the text. Access the following materials to introduce you to the content for this unit and to supplement the textbook reading:

- [Chapter 9 PowerPoint Presentation](#).

### u09s1 - Learning Components

- Calculate maturity dates for notes.
- Calculate note interest at maturity.
- Calculate interest expense.

- Journalize notes transactions.
- Show calculations.
- Record employee pay deductions.
- Calculate employee payroll deductions.
- Calculate employer pay deductions.
- Record employer payroll deductions.

### **u09d1 - Disaster Reporting**

Under the assumption that your company has a facility located where disastrous weather conditions often occur, discuss how you, as the company accountant, should report a probable loss from a future disaster as a liability on its balance sheet.

Post your discussion reply by midnight Wednesday of this unit week.

## **Response Guidelines**

Assume that you have been hired as the auditor for the company and have been looking over the company accountant's reporting of a couple of disaster events. Respond to a minimum of two of your fellow (company accountant) learners with any questions or challenges you may have concerning the accountant's handling of the disasters by midnight Sunday of this unit week.

#### Course Resources

[Undergraduate Discussion Participation Scoring Guide](#)

### **u09a1 - Short-Term Notes Payable Transactions**

Use the Unit 9 Assignment 1 Template linked in the Resources to complete problem 9-1B on page 372 in your textbook.

Review the Short-Term Notes Payable Transactions Scoring Guide to ensure you have met the criteria for this assignment prior to submission. Submit your completed problem in the assignment area.

#### Course Resources

Unit 9 Assignment 1 Template

## **u09a2 - Payroll Expenses**

Use the Unit 9 Assignment 2 Template linked in the Resources to complete problem 9-3B on page 373 in your textbook.

Review the Payroll Expenses Scoring Guide to ensure you have met the criteria for this assignment prior to submission. Submit your completed problem in the assignment area.

### Course Resources

*Financial and Managerial Accounting: Information for Decisions*

Unit 9 Assignment 2 Template

## **Unit 10 >> Accounting for Long-Term Liabilities**

### **Introduction**

Organizational projects that require large amounts of money often are funded from the issuance of bonds or corporate stock. Some examples of organizations that use this form of financing include for-profit and nonprofit companies, government units, water authorities, and school districts. In return for financing these large projects, bonds promise to repay the lender with interest. Purchasers of corporate stock do so with the expectation of dividend earnings and stock value appreciation.

In the first half of this unit, you will study the basics of bonds and accounting for their issuance and retirement. The unit also describes long-term notes as another financing vehicle, and presents value concepts for the accounting and reporting of bonds and notes. The second half emphasizes details of the corporate form of organization and the concepts and procedures for equity transactions.

### **Learning Activities**

## Readings

Use your *Financial and Managerial Accounting* text to read:

- Chapter 10, "Long-Term Liabilities," pages 420–449.
- Chapter 11, "Corporate Reporting and Analysis," pages 464–491.

## Optional Media

The publisher of your textbook has created PowerPoint presentations to supplement your text. These materials highlight important concepts and can be viewed before or after reading the text. Access the following materials to introduce you to the content for this unit and to supplement the textbook reading:

- [Chapter 10 PowerPoint Presentation.](#)
- [Chapter 11 PowerPoint Presentation.](#)

### u10s1 - Learning Components

- Calculate bond prices.
- Journalize bond transactions.
- Calculate financial ratios.
- Discuss riskiness of alternatives.
- Journalize stock transactions.
- Prepare financial statement.
- Prepare partial financial statement.
- Show calculations.

### u10a1 - Bond Transactions

Use the Unit 10 Assignment 1 template linked in the Resources to complete problems 10-6B and 10-7B on page 412 in your textbook.

Review the Bond Transactions Scoring Guide to ensure you have met the criteria for this assignment prior to submission. Submit your completed problem in the assignment area.

## u10a2 - Corporate Stock Transactions

Use the Unit 10 Assignment 2 Template linked in the Resources to complete problem 11-2B on page 447 in your textbook.

Review the Corporate Stock Transactions Scoring Guide to ensure you have met the criteria for this assignment prior to submission. Submit your completed problem in the assignment area.

### Course Resources

*Financial and Managerial Accounting: Information for Decisions*

Unit 10 Assignment 2 Template

## u10q1 - Final Quiz

This quiz covers the readings for Units 6–10 and will test your knowledge of business transactions, the accounting cycle, adjustments and financial statements, and merchandise business accounting systems.

The quiz provides an opportunity for you to demonstrate your mastery of the following course competencies:

- Analyze the relationship between business events and accounting.
- Apply accounting principles as the language of business.
- Communicate the effects of business events on an organization's financial structure.

Read the following instructions and parameters before taking the quiz:

- There is no time limit on the quiz.
- You must access, take, and submit the quiz in this unit. The quiz will be available at the beginning of Unit 10.
- Once you have answered all of the questions, submit your quiz to receive credit. It is automatically scored, and you will receive feedback immediately. There are 100 total points possible. Each question is

worth 4 points.

- You may access the quiz to view the questions; however, you cannot retake the quiz. Once the grade is recorded, it cannot be changed.
- Since you will only be able to access and take the quiz one time, do not access it until you are ready to complete it.

To start the quiz:

1. Click the linked quiz title to access the quiz.
2. If you have any issues with the quiz, contact your instructor.

## **u10d1 - Reflection II**

At this point (units 6–10), you have studied deeper elements related to the balance sheet's categories. Thinking about these concepts, answer the following questions in your initial post:

- What did you find to be the most complicated?
- What did you find to be the least complicated?
- What concept or principle surprised you the most?
- Which concepts and principles do you believe you will use the most in your professional life? Explain.

### Response Guidelines

Responding is recommended, not required.

#### Course Resources

[Undergraduate Discussion Participation Scoring Guide](#)