



El Camino College
COURSE OUTLINE OF RECORD – Official

Course Acronym:	BUS
Course Number:	150
Descriptive Title:	Financial Accounting
Division:	Business
Department:	Accounting
Course Disciplines:	Accounting
Catalog Description:	This is an introductory course covering the fundamental theory, principles, and procedures of financial accounting with an emphasis on the corporate entity. Topics include ethics and the analysis, recording, and summarizing of accounting transactions on the accrual basis. Financial statements are prepared and analyzed. An emphasis will be on accounting as an information system to meet the demands of users for decision-making. Computer applications are integrated into the homework.
Prerequisite:	
Co-requisite:	
Recommended Preparation:	Eligibility for English C1000 or equivalent
Enrollment Limitation:	
Hours Lecture (per week):	4
Hours Laboratory (per week):	1
Outside Study Hours:	8
Total Course Hours:	90
Course Units:	4
Grading Method:	Letter Grade only
Credit Status:	Credit, degree applicable
Transfer CSU:	Yes
Effective Date:	
Transfer UC:	Yes
Effective Date:	
General Education: ECC	
Term:	
Other:	
CSU GE:	
Term:	

	Other:	
	IGETC:	
	Term:	
	Other:	
	CalGETC:	
	Term:	
	Other:	
Student Learning Outcomes:	SLO #1 Evaluation Evaluate the financial position and profitability of the business entity using various financial ratios. SLO #2 Problem Solving Solve a comprehensive accounting problem that involves preparation of 3 of the 4 basic financial statements, which include the balance sheet, the income statement, and the statement of retained earnings. SLO #3: Concepts & Terminology Understand and utilize financial accounting concepts and terminology.	
Course Objectives:	1. Define accounting terminology. 2. Interpret, analyze, record, and process a wide array of business transactions in accordance with acceptable accounting theory, principles and practices as well as government regulation, federal tax laws, and generally accepted accounting principles. 3. Appraise the changing role of accountants in today's business. 4. Reformulate an accounting system into an information system. 5. Analyze financial transactions and their effect on the accounting equation. 6. Measure a company's performance through its financial statements. 7. Describe and perform the accounting functions of the accounting cycle for service and merchandising businesses. 8. Apply the principles and concepts of accounting-to-accounting situations. 9. Compare the cash basis to accrual basis accounting. 10. Evaluate the concept of the present value of money. 11. Identify the characteristics of corporations and the stockholders' equity section of balance sheets. 12. Obtain a basic understanding of the Statement of Cash Flows, including its purpose, how it articulates with the other financial statements, and the three activities that generate cash flows. 13. Calculate Financial Statement ratios using analysis tools. 14. Prepare general ledger entries using computer software programs. 15. Collaborate in a group environment to analyze ethical implications of business decisions.	
Major Topics:	I. Introduction to Accounting as an Information System (5 hours, lecture) A. Definition of accounting B. Users of accounting information C. The accounting profession	

- D. Introduction of the accounting equation
- E. Analysis of financial transaction
- F. Introduction to financial statements
 - 1. Balance Sheet
 - 2. Income Statement
 - 3. Statement of Cash Flows

II. Recording Accounting Data (8 hours, lecture)

- A. Financial Statement Articulation
- B. Introduction of concepts and principles of accounting
- C. Rules of debits and credits
- D. Normal account balances
- E. The general journal
- F. The general ledger
- G. Errors in recording transactions

III. The accounting cycle, including adjusting and closing entries for a service enterprise (8 hours, lecture)

- A. The elements and steps of gathering and processing adjusting information
- B. The matching of revenue and expenses
- C. Effects of omitting accounting adjustments
- D. The accounting worksheet
- E. Preparation of financial statements
- F. Closing of the books

IV. Accounting cycle of a merchandising enterprise (5 hours, lecture)

- A. Periodic vs. perpetual inventories
- B. Purchase of inventory using a perpetual inventory system
- C. Quantity buy, cash discounts, purchase returns, and shipping terms
- D. Sale of inventory and Cost of Goods Sold
- E. Sales discounts and sales return and allowances
- F. Gross profit as a number and a percent
- G. Multiple step vs. single step income statements

V. Accounting system and protection of cash (4 hours, lecture)

- A. The accounting environment
- B. Internal controls
- C. Bank reconciliation
- D. Introduction of the voucher system

VI. Notes and accounts receivable (4 hours, lecture)

- A. Characteristics of a promissory note
- B. Computation of simple interest
- C. Recording of notes
- D. The sale and dishonoring of notes
- E. Uncollectible accounts receivable
- F. Allowance and write off methods

- G. Problems associated with sales on account and the institution of policies to handle bad debt

VII. Inventory (4 hours, lecture)

- A. Valuation of inventory
- B. Significance of inventory as a current asset to a merchandising firm
- C. Quantity count for perpetual and periodic inventory systems
- D. Costing of inventory using First-In First-Out, Last-In
- E. First-Out, and Weighted Average cost
- F. Economic conditions and the impact on inventory valuation
- G. Effects of errors on inventory
- H. Costing inventory using lower of cost or market

VIII. Depreciation, amortization, and depletion of long lived assets (8 hours, lecture)

- A. Costing of assets for depreciation
- B. Methods of depreciation
- C. Tax implications when depreciating assets
- D. Discard, sale, and exchange of assets
- E. Defining amortization and depletion
- F. Revenue vs. Capital leasing

IX. Current liabilities and accounting for payroll (4 hours, lecture)

- A. Short term liabilities
- B. The payroll system
- C. Employee compensations
- D. Payroll taxes of employees
- E. Payroll taxes of employers

X. Long-term liabilities: Bonds (5 hours, lecture)

- A. Characteristics of bonds
- B. Bond trading in the marketplace
- C. Bonds sold at premiums and discounts
- D. Introduction to future and present value
- E. Real world financial data application

XI. Corporate Form of Business (5 hours, lecture)

- A. Characteristics of corporations
- B. Rights of stockholders
- C. Issuance of stock
- D. Study of the stockholders' equity section of the balance sheet
- E. Use of current financial reports
- F. The purchase of treasury stock
- G. Ethics

XII. Retained earnings and the income statement (12 hours, lecture)

- A. Treasury stock

	B. Discontinued operations C. Computations of dividends - cash and stock D. Use of financial ratios 1. Earnings per share 2. Extraordinary items 3. Defining subsidiaries, mergers, and consolidations 4. Corporate income taxes 5. Real world application XIII. Utilizing the text and published financial statements, the Instructor will lead and direct Students to: (18 hours, lab) A. Solve problems using the accounting equation B. Journalize and post a variety of transactions C. Prepare adjusting and closing journal entries D. Prepare trial balances E. Prepare financial statements for merchandising companies F. Prepare bank reconciliations G. Analyze accounts and notes receivable. Calculate Net H. Realizable Value I. Calculate Cost of Goods Sold and Inventory balances using various costing methods J. Calculate depreciation expense, accumulated depreciation, and book value using various depreciation methods K. Revise depreciation estimates as needed. Account for asset disposals and exchanges L. Account for current and long-term liabilities, and amortize notes and bonds payable M. Prepare a statement of retained earnings and the stockholders equity section of the balance sheet N. Prepare a multistep income statement and comprehensive income O. Calculate and evaluate the business entity using a host of relevant financial statement ratios
Total Lecture Hours:	72
Total Laboratory Hours:	18
Total Hours:	90
A.1. Primary Methods of Evaluation (Part 1 - CCN courses only):	
A.2. Primary Method of Evaluation (Part 2 - all courses; choose one):	2) Problem solving demonstrations (computational or non-computational)
Typical Assignment Using Primary Method of Evaluation:	Explain the allowance method of uncollectible accounts receivables write-off's under the accrual basis of accounting and present your findings in a one-to-two page written summary.

Critical Thinking Assignment 1:	In a group, compare and contrast the straight-line and the modified accelerated cost recovery methods of depreciation to demonstrate tax advantages of the accelerated cost recovery system and present your findings in a one-to-two page written document.
Critical Thinking Assignment 2:	Analyze how sales and exchanges of plant and equipment assets are recorded for both financial reporting purposes and for tax purposes. Present your findings in a one-to-two page written document.
Other Evaluation Methods:	Completion, Homework Problems, Laboratory Reports, Matching Items, Multiple Choice, Other Exams, Performance Exams, Quizzes, True/False
Instructional Methods:	Demonstration, Discussion, Group Activities, Lab, Lecture, Multimedia presentations
If other:	Computer simulations
Work Outside of Class:	Answer questions, Problem solving activity, Required reading, Study, Written work (such as essay/composition/report/analysis/research)
If Other:	
Up-To-Date Representative Texts:	John J. Wild. <u>Financial Accounting Fundamentals</u> . McGraw Hill Publishing, 2025 Release
Alternative Texts:	
Required Supplementary Readings:	
Other Required Materials:	
Requisite:	
Category:	
Requisite course(s): List both prerequisites and corequisites in this box.	
Requisite and Matching skill(s): Bold the requisite skill. List the corresponding course objective under each skill(s).	
Requisite Skill:	
Requisite Skill and Matching Skill(s): Bold the requisite skill(s). If applicable	
Requisite course:	
Requisite and Matching skill(s): Bold the requisite skill. List the corresponding course objective under each skill(s).	
Requisite Skill:	Eligibility for English C1000 or equivalent

Requisite Skill and Matching skill(s): Bold the requisite skill. List the corresponding course objective under each skill(s). If applicable	This course involves reading college level textbooks, developing projects, and answering essay questions. A student's success in this class will be enhanced if they have these skills. Summarize, analyze, evaluate, and synthesize college-level texts. Write a well-reasoned, well-supported expository essay that demonstrates application of the academic writing process.
Enrollment Limitations and Category:	
Enrollment Limitations Impact:	
Course Created by:	Lester Shaw
Date:	06/01/1973
Original Board Approval Date:	
Last Reviewed and/or Revised by:	Sidney Porter
Date:	10/14/2025
Last Board Approval Date:	01/21/2026
Effective Term:	FA 2026