

GRANDE PRAIRIE REGIONAL COLLEGE
DEPARTMENT OF OFFICE ADMINISTRATION

5, 94, 95

COURSE OUTLINE

CA 2411 ACCOUNTING I

INSTRUCTOR: Sharron Barr

OFFICE: C411

TELEPHONE: 539-2979 (office)

TEXT: Financial Accounting (Brief Version);
Horngren, Harrison & Lemon, Prentice Hall Canada Inc.,
2nd Canadian Edition

SUPPLIES: Pen, pencil, ruler, calculator.

PREREQUISITE: None

COURSE DESCRIPTION: This course introduces the key accounting principles and concept, the accounting cycle, financial statement preparation and analysis for incorporated and unincorporated service and merchandising companies. Cash control, inventories, receivables, plant and equipment, and payroll will also be covered.

COURSE OBJECTIVES: Today's dynamic, competitive and continually changing business world has increased the requirement for the use of computers in the accounting system of many organizations. Computers are needed to keep track of financial activities and to summarize these activities in a manner that is useful to decision-makers both internal and external.

The main objectives of this course are to equip the student with basic understanding of accounting systems and to acquaint them with various aspects of the business world so that they will be better prepared to work in a computerized accounting environment.

Text problems and selected problems and cases will be used in the course.

EVALUATION:	Assignments:	20%
	Quizzes:	10%
	Mid-term exam:	30%
	Final exam:	40%
		100%

FINAL GRADE: Conversion from percentages to stanines as follows:

90 - 100	9
80 - 89	8
72 - 79	7
65 - 71	6
57 - 64	5
50 - 56	4
45 - 49	3
26 - 44	2
0 - 25	1

**COURSE
CONTENT:**

Introduction	Chapter 1
Recording Business Transactions	Chapter 2
Measuring Business Income	Chapter 3
The Accounting Cycle	Chapter 4
Merchandise Accounting	Chapter 5
Accounting Information Systems	Chapter 6
Internal Control & Cash Transactions	Chapter 7
Accounts/Notes Receivable	Chapter 8
Merchandise Inventory	Chapter 9
Capital Assets & Intangibles	Chapter 10
Current Liabilities & Payroll	Chapter 11
Generally Accepted Accounting Principles	Chapter 12

**ASSIGNMENT
POLICY:**

Assignments will be due at the beginning of class on the due date. Late assignments will be penalized 25% per day.

**ATTENDANCE
POLICY:**

Students are expected to attend all classes on a regular basis

ACCOUNTING PRINCIPLES, CONCEPTS AND ASSUMPTIONS

Principles

Matching:

All revenues should be matched to the costs incurred to earn the revenue during the same period. Provides for an accurate measurement of reported net income (profit or loss) for the period.

Full Disclosure:

Provide the reader of financial information with all relevant information that will assist the reader in making a rational, informed decision.
ie. contingent liabilities such as lawsuits.

Historic Cost:

Assets are recorded at "cost"; no adjustments are made to reflect fair market value in later periods.

Objectivity:

Values are measured by a definite, factual source.
ie. invoices, paid cheques.

Conservatism:

Using the least favourable values when judgements or estimates are involved. Designed to avoid overstatement of financial strength and earnings.
ie. estimating useful life of assets for depreciation purposes.

Revenue Realization:

Revenue is reported as earned when the earnings process is substantially complete.

Consistency:

When an accounting method (ie. depreciation) is adopted, it will not change from period to period. Avoids income manipulation.

Concepts

Economic Entity:

Business affairs are separate and distinct from the personal affairs of its owners. Assets and liabilities of the owners are not included with those of the business organization.

Materiality:

Professional judgement should be used as to whether to disclose an item separately or not. Information which may cause a reader to reach a different decision if information is suppressed, then it should be disclosed.
ie. immaterial amounts in ledger accounts.

Assumptions

Going Concern:

It is assumed that the business unit will continue its economic existence indefinitely in the future. Allows us to use the historic cost principle; allows us to ignore fluctuations in market values.

Monetary Unit:

The dollar is used as the basic measuring unit for financial reporting.

Stable Dollar:

Ignores inflation and purchasing power of a dollar.
ie. Present value vs. future value.

Arm's Length:

Two parties to a transaction are neither economically or personally related. Parties act independently of each other at fair market value.