

De Anza College
Accounting 1B
Introductory Accounting Part 2
Winter 2016

Instructor: Sam Hedgpeth

Office Hours: By appointment, generally before or after class & TBD

Email: Hedgpethliisamuel@fhda.edu

Text: Accounting Warren, et al, Cengage Publishing, 26th ed, and Online Cengage Account is required

Other Materials: 2, 4 and 13 column paper or the working papers available from the publisher

Office Hours: 8:15PM until all questions are answered. Tuesday and Thursday

Description:

The course is a continuation of the first accounting course and the focus continues to be financial accounting, as shown below. At the end of the term the successful student will have completed the following:

1. Calculate depreciation using straight line and accelerated methods.
2. Account for partnerships and limited liability companies.
3. Account for capital stock transactions.
4. Recognize the capital structure of a corporation.
5. Account for bonds and consider the time value of money.
6. Perform financial statement analysis.
7. Prepare a statement of cash flows.
8. Perform objectives 1–7 using generally accepted accounting principles (GAAP) and recognize ethical considerations in business transactions.

Strategic Learning Outcomes (SLO) for this course:

Demonstrate a knowledge of the users of accounting information and forms or business ownership, risks and capitalization of each and prepare, analyze and evaluate the financial structure of a firm using corporate financial statements (and include the statement of cash flows).

Analyze and evaluate the capitalization of a firm using debt and equity and apply net present value methodology to the analysis.

Grading:

Midterm 1	200
Midterm 2	200
Homework & Participation	100
Final	200
Drop One Midterm	<u>(200)</u>
Total	500

A – >90% B – >80% C – >70% D – >60% F < 59%

Course Expectations/Requirements:

This course is designed to expose the student to the basic aspects of accounting. The course requires a substantial amount of reading and problem solving. It is expected that the student attend all sessions. If one is missed it is up to the student to get the information from fellow students or from the instructor at a mutually agreed upon time.

Policies:

All exams must be taken at the scheduled time and date. There are no makeup exams for any reason, however, you can drop one midterm. All work must be turned in on time; late assignments are not accepted for any reason. In class group work cannot be made up. If you find that regular attendance is a challenge, it is suggested that you take the Distance Learning Class, where there is a greater writing requirement but the attendance requirement is minimized.

Cheating and disruptive behavior will not be tolerated and are dealt with in accordance with the DeAnza policies set forth in the course catalogs and schedules.

Other Facts/Policies

Note that as much as 20% is subjective, based on the instructors view of your work, preparation and participation. This is similar to the work environment where your success depends on the views of others.

Tests are open notes (not open book). Do not let that fool you. The constraint will be time, just as it is in industry. You can look up a formula, but you won't have time to learn the material.

You may be called on to present your solution to one or more homework problems. You will need to explain your answers and reasoning clearly to the other students and be able to answer questions if required. Therefore, be prepared to answer questions and present your material at any time.

Any entry you make, REPEAT, any entry you make, must have an explanation. If there is no explanation, there is no credit. Additionally, every Schedule you prepare must have the title of the schedule, the date of the schedule and the preparer's name. If a schedule does not contain these items, there will be no credit.

There are no stupid questions, only good questions not asked. There is one exception to this rule: Do not ask whether any tests are cumulative. The Universe is cumulative.

If you can do the homework, you will pass the tests. (The converse is also true.) Exception: if you don't provide explanations for your entries and titles, etc. for schedules, you likely won't pass. There will be no surprises in any testing situation. This class is WYSIWYG.

Quizzes are not announced and will generally be given if the class is not prepared.

An assignment that says "read" a chapter means "read, understand, come prepared to answer instructor questions and ask questions regarding material you do not understand". Reading is likely the most important individual function in this class.

Tuesday 1/5 Thursday 1/7	Introduction – Accounting and Importance of People, Intro Chp 10 Chp 10 Ex 10-1, 2, 3, 4, 17, 18, 24
Tuesday 1/12 Thursday 1/14	Problems 10-4A, 5A (3), Read Chp 11 Chp 11 Ex 11-7, 10, 13, 15, 16, 21, 22
Tuesday 1/19 Thursday 1/21	Problems 11-3A, 5A, Attached Review Problem due (3+?), Read Chp 12 Chp 12 Ex 12-2, 3, 8, 10, 11, 13, 17, 19
Tuesday 1/26 Thursday 1/28	Problems 12-3A, 4A, 5A (4) Midterm 1 – included is to know the first and last names of the students in the class
Tuesday 2/2 Thursday 2/4	Go over Midterm, Read Chp 13 Chp 13 Ex 13- 2, 3, 8, 9, 12, 21, 24
Tuesday 2/9 Thursday 2/11	Problems 13-4A, 5A (2), Read Chp 14 Chp 14 Ex 14-1, 2, 4, 5, 6, 7, 8, 9, 14 16, 17, 18, 19, 20, 21
Tuesday 2/16 Thursday 2/8	Problems 14-1A, 2A, 3A (3), Read Chp15 Chp 15 Ex 15-3, 6, 10, 12, 15, 19, 22, 25
Tuesday 2/23 Thursday 2/26	Problems 15-3A, 4A (2.5) Midterm 2, Comprehensive Problem 3, page 545 due
Tuesday 3/1 Thursday 3/3	Go over Midterm & Comp Problem, Read Chp 16 Chp 16 Ex 16-3, 4, 5, 13, 14, 16, 17
Tuesday 3/8 Thursday 3/10	Problems 16- 2A, 3A (3), Read Chp 17 Problem 17-4A (2)
Tuesday 3/15 Thursday 3/17	Comprehensive Problem 4, page 723 due. Use IS form provided. In-class Statement of Cash Flows. Review, Go over Comprehensive Problem,
Final, Wednesday 3/22	

Incomplete grades are only available under the following conditions: The student has done ALL of the work in the course and cannot take the final exam because of an emergency (verifiable illness, family death, car accident etc). If the issue arises prior to the date for withdrawal, then the student WILL TAKE A W GRADE. If it occurs after the withdrawal date and ALL work in the course has been completed and a verifiable emergency has taken place, then an incomplete grade can be given. Please note, these are exceedingly rare.

If you wish to take this course as a pass/no pass option it is entirely your responsibility to sign up for the option within the requisite time outlined on the DeAnza website. The instructor has no authority or ability to change a graded course to a pass/no pass course; it is entirely the responsibility of the student.

Once you have indicated your enrollment in the class and completed the orientations, it is your responsibility to keep up with the work and drop the course if you determine you cannot keep up.

Note to students with disabilities: If you have a disability-related need for reasonable academic accommodations or services in this course, provide (name of Instructor) with a Test Accommodation Verification Form (also known as a TAV form) from Disability Support Services (DSS) or the Educational Diagnostic Center (EDC). Students are expected to give five days notice of the need for accommodations. Students with disabilities can obtain a TAV form from their DSS counselor (864-8753 DSS main number) or EDC advisor (864-8839 EDC main number)

Financial Accounting Review Problem

Kelly Pitney began her consulting business, Kelly Consulting on April 1, 2016. Kelly consulting entered into the following transactions in May:

May 3. Received cash from clients as an advance payment for services to be provided in the future in the amount of \$4,500

May 5. Received cash from clients on account, \$2,450.

May 9. Paid cash for a for Google key words, \$225

May 13. Paid Office Station Co. for part of the debt incurred on April 5, \$640

May 15. Recorded services provided on account for the period May 1-15, \$9,180

May 16. Paid the receptionist two weeks salary including the amount owed on April 30, \$750

May 17. Recorded cash from cash clients for fees earned, \$8,360.

May 20. Purchased supplies on account, \$735

May 21. Recorded services provided on account for the period May 16-20, \$4,820

May 25. Recorded cash from cash clients for fees earned, \$7,900

May 27. Received cash from clients on account \$9,520

May 28. Paid receptionist two weeks salary, \$750

May 30. Paid telephone bill for May, \$260

May 31. Paid electricity bill for May, \$810

May 31. Recorded cash from cash clients for fees earned, \$3,300

May 31. Recorded services on account for the remainder of May, \$2,650

May 31. Withdrew \$10,500 for personal use.

	Kelley Consulting Trial Balance April 30	
	DR	CR
Cash	\$22,100	
Accounts Receivable	3,400	
Supplies	1,350	
Prepaid Rent	3,200	
Prepaid Insurance	1,500	
Office Equipment	14,500	
Accumulated Depreciation		\$330
Accounts Payable		800
Salaries Payable		120
Unearned fees		2,500
Kelley Pitney, Capital		42,300
	<u>\$46,050</u>	<u>\$46,050</u>

Assignment

1. Journalize the transactions
2. Post the journal transactions to a ledger with 3 or 4 columns (your choice)
3. Prepare an unadjusted trial balance
4. Journalize and post the following adjustments
 - a. Insurance expired during July is \$275
 - b. Supplies on hand at July 31 are \$715
 - c. Depreciation of office equipment for July is \$330
 - d. Accrued receptionist salary on July 31 is \$325
 - e. Rent expired during July is \$1,600
 - f. Unearned fees on July 31 are \$3,210.
5. Prepare an adjusted trial balance
6. Prepare an income statement, statement of owner's equity and balance sheet
7. Assuming this is the end of the fiscal year journalize and post the closing entries
8. Prepare a post closing trial balance

Chart of Accounts

11 Cash
12 Accounts receivable
14 Supplies
15 Prepaid Rent
16 Prepaid Insurance
18 Office Equipment
19 Accumulated Depreciation
21 Accounts Payable
22 Salaries Payable
23 Unearned Fees
31 Kelly Pitney, Capital
32 Kelly Pitney, Drawing
33 Income Summary
41 fees Earned
51 Salary Expense
52 Rent Expense
53 Supplies Expense
54 Depreciation Expense
55 insurance Expense
59 Misc. Expense