

**UNIVERSITY OF PUERTO RICO
RÍO PIEDRAS CAMPUS
SCHOOL OF BUSINESS ADMINISTRATION
ACCOUNTING DEPARTMENT**

ACCOUNTING 3105 -INTRODUCTION TO PRINCIPLES OF ACCOUNTING I

CREDIT HOURS: Three (3)

PREREQUISITES: NONE

COURSE DESCRIPTION

Study of accounting as an information system and support function that allows decision making in a business. It includes the discussion of the concepts, principles, and procedures to communicate and use financial information. Explains the importance of financial accounting information for internal and external parties, its analysis and impact on organizations.

COURSE OBJECTIVES

At the end of the course, the student should be able to:

1. Describe the global development of the accounting profession as a service activity and an analytical discipline.
2. Explain the social role of accounting and how it communicates and fulfills the need for financial information.
3. List the differences among the various types of organizations, the nature of their activities and the effect on the preparation of financial reports.
4. Identify the principles, concepts and assumptions in the preparation of financial reports.
5. Describe the process to generate financial statements (the accounting cycle).
6. Summarize the contents of the Financial Statements.
7. Describe the relationship between the financial statements.
8. Characterize the elements of the financial statements.
9. Identify the ethical foundation of the accounting profession.
10. Interact as a member of a team.
11. Use electronic spreadsheets to solve accounting problems.
12. Use databases to obtain financial data.
13. Show effective communication skills, both written and spoken.

CONTENTS AND TIME ALLOCATION

Topics	Time
I. Introduction	
A. Course objectives	1.5 hours
B. Work plan	
C. Student evaluation	
 II. The role of accounting	1.5 hours
A. Definition	
B. Social role of accounting	
C. Users of financial information	
D. Types of organizations (profit and not for profit)	
E. Relationship of accounting with other disciplines	
F. Internal and external factors that affect accounting as a profession and as a discipline.	
G. Brief historical development of accounting	
H. Career opportunities in accounting	
I. Professional certifications	
J. Professional organizations and regulators (AICPA, SEC, IASB, IMA, IRS, FASB, CCPAPR)	
K. Ethics and values	
 III. Communication of financial information	4.5 hours
Types of reports generated by the system - Financial Statements	
A. Income statement	
1. elements	
2. form and contents	
3. key concepts	
4. accrual basis	
5. tax basis	
B. Statement of Stockholders Equity	
1. elements	
2. form and contents	
3. key concepts	
a. relationship to the Income Statement	
b. relationship to the Balance Sheet	
C. Balance Sheet	
1. the accounting equation and the elements	
2. form and contents	

- 3. classification of components
- 4. owners' equity
 - a. sole proprietorship
 - b. partnership
 - c. corporations
 - d. not-for-profit
- 5. uses, purpose and limitations
- D. Cash flow statement
 - 1. form and contents
 - 2. types of business activities
 - 3. uses, purpose, and limitations
 - 4. link to the Balance Sheet
- E. Statement of Comprehensive Income (conceptual explanation)

IV. Concepts, principles and fundamental assumptions 3.0 hours

- A. General Accepted accounting Principles (GAAP)
 - 1. definition
 - 2. role of GAAP in financial accounting
- B. Underlying assumptions:
 - 1. economic entity
 - 2. going concern
 - 3. periodicity
 - 4. monetary unit
- C. Fundamental characteristics of financial information:
 - 1. relevance
 - 2. faithful representation
- D. Enhancing characteristics of financial information:
 - 1. comparability (including consistency)
 - 2. verifiability
 - 3. timeliness
 - 4. understandability
- E. Accounting Principles
 - 1. measurement
 - 2. revenue recognition
 - 3. expense recognition
 - 4. full disclosure

V. Accounting Cycle 7.5 hours

- A. Basic Concepts of an information system

- B. Evolution of information systems in accounting
- C. Double entry accounting
- D. The effect of business transactions on the accounting equation
- E. Steps in the cycle
 - 1. obtain documentation
 - 2. analyze the transactions
 - 3. record the transactions in a journal
 - 4. post from journal to the general ledger
 - 5. prepare an unadjusted trial balance
 - 6. adjusting entries
 - a. importance
 - b. impact on financial statements
 - c. recording (balance sheet emphasis)
 - 7. prepare an adjusted trial balance
 - 8. prepare financial statements
 - 9. closing process
 - a. temporary and permanent accounts
 - b. recording closing entries
 - c. prepare post-closing trial balance

EXAM I	2.0 hours
Exam results discussion	1.5 hours

VI. Accounting for current assets

- | | |
|--|-----------|
| A. Cash | 1.5 hours |
| 1. Definition | |
| 2. Controls on cash | |
| B. Revenue recognition (five steps) | 3 hours |
| C. Accounts Receivable | |
| 1. importance | |
| 2. net realizable value | |
| 3. presentation and disclosure | |
| 4. financing with accounts receivable (conceptual) | |
| D. Notes payable (conceptual discussion) | |
| E. Inventories | 4.5 hours |
| 1. Importance | |
| 2. Effect of inventory errors on the financial statement | |
| 3. Types of business | |
| a. merchandising companies | |
| b. manufacturing companies | |

4. Comparison of perpetual and periodic systems
5. Inventory cost flow assumptions
 - a. First in-first out (FIFO)
 - b. last in-first out (LIFO)
 - c. weighted average
6. Tax considerations and financial statement effect in the selection of an inventory cost flow
7. Valuation (lower of cost or net realizable value)
8. Presentation and disclosures

VII. Accounting for non-current assets 3.0 hours

- A. Property, plant, and equipment
 1. acquisition (cost determination)
 2. depreciation (straight-line method, accelerated method)
 3. disposal of plant assets
 4. presentation and disclosures
- B. Intangible assets
 1. definition
 2. amortization
 3. presentation and disclosures

EXAM II 2.0 hours
 Discussion of exam results 1.5 hours

VIII. Accounting for liabilities 3.0 hours

- A. Current liabilities
 1. definition
 2. accounting for current liabilities
 3. Payroll liabilities and taxes
 - a. Importance
 - b. Human resources management
 4. Other taxes
 - a. Income tax
 - b. Property tax
 - c. Municipal tax
- B. Time value of money 4.5 hours
- C. Long Term liabilities
 1. Bonds
 - a. Types
 - b. characteristics
 - c. accounting bonds and interest (investor and issuer)

- i at date of issuance (premium, discount)
 - ii at date of interest payment (amortization, effective interest method)
- 2. Other liabilities (conceptual)
 - 1. notes payable
 - 2. contingencies
 - 3. environmental debt/contingencies
 - 4. deferred income tax payable

IX. Accounting for owners' equity

4.5 hours

- A. Single proprietorship
- B. Partnership
 - 1. organization
 - 2. distribution of earnings
- C. Corporations
 - 1. characteristics
 - 2. basic rights of stockholders
 - 3. types of stock
 - 4. legal capital
 - 5. issuance of stock
 - 6. treasury stock (cost method)
 - 7. dividends
 - a. cash
 - i. preferred cumulative
 - ii. preferred non- cumulative
 - b. stock (conceptual)
 - 8. stock splits
 - 9. stockholders equity section, balance sheet
 - 10. retained earnings
- D. Funds balance for non-business and governmental agencies

Exam III

2.0 hours

**Time allocated to classes
allocated for exams**

**45.0 Hours Time
6.0 hours**

Text Book: Financial Accounting, 5th edition, J. David Spiceland, Thomas, W., Herrmann, D., custom book Create McGraw Hill. Includes access to Connect.

Instructional strategies

1. Conferences
2. Accounting lab – 2 hours weekly, attendance is optional
3. Discussion of structured or non-structured accounting problems, news, articles of relevancy to accounting.
4. Computer assisted learning (McGraw Hill Connect)
5. Assignments requiring access to information by electronic means
6. Written and oral presentations
7. Assignments to apply concepts
8. Debates

LEARNING RESOURCES REQUIRED

1. Vertical overhead projector
2. PowerPoints or other means of presentation
3. White board
4. Instructional material prepared by instructor or textbook author
5. Internet access
6. Periodicals, newspapers, journals
7. Illustration of problems
8. Spreadsheets and Word-processing software

EVALUATION STRATEGIES

Exams	75%
Other activities	25%

- Two of the three exams will be coordinated by the Department
- At least one written assignment is required using a Word processor, the Internet and Excel.
- Students will be required to complete assignments with teams.
- Students with special needs may require differentiated evaluation.

ASSESSMENT STRATEGIES

- Departmental exams
- Rubrics
- Check lists

GRADING SYSTEM SCALE

GRADE	AVERAGE
A	100 - 90
B	80 - 89
C	70 - 79
D	60 - 69
F	LESS THAN 60

COMPLIANCE WITH STATUTE # 51

Students receiving services from Vocational Rehab must inform the professor at the beginning of the semester to plan for appropriate actions in accordance with recommendations of the Office of Affairs for Persons with Disability (OAPI). Any student with special needs must get in touch with the professor for appropriate actions.

ACADEMIC INTEGRITY

All work submitted by a student must represent the student's original endeavor. When outside sources are used as references, the student should identify the source to make clear the extent to which the source has been used. The University considers plagiarism and falsification of documents a serious matter that will result in appropriate sanctions including loss of full or partial credit for the work, suspension for a specific period of time, or expulsion from the program.

REFERENCES

American Accounting Association and American Institute of CPAs. (July 2012). *The Pathways Commission - Charting a National Strategy for the Next Generation of Accountants*. Sarasota, Fla: American Accounting Association and American Institute of CPAs.

American Institute of CPAs. Cloud Computing.

<http://www.aicpa.org/INTERESTAREAS/INFORMATIONTECHNOLOGY/RESOURCES/PRI VACY/CLOUDCOMPUTING/Pages/default.aspx> Accedido el 3 de Agosto de 2014.

Anders, Susan (July 2014). Website of the Month: Standard & Poor's Rating Services. pp 7273. *The CPA Journal*.

Banco Gubernamental de Puerto Rico. Accedido el 4 de agosto de 2015. Deuda Publica. http://gdbpr.com/spa/investors_resources/public-debt.html

Baysden, Chris (September 2013). Supply and demand for accounting talent at record levels. *Journal of Accountancy*.

Defelice, A. (November de 2010). Cloud Accounting What Accountants Needs to Know. *Journal of Accountancy*.

of 11

Defelice, A. (April de 2011). What Does it Take the Lead? *Journal of Accountancy*.

Reuters, Fortune Editors. (August 4, 2015). Puerto Rico just defaulted on its \$72 billion debt pile. Accessed on August 5, 2015 <http://fortune.com/2015/08/04/puerto-rico-default-bondrestructuring-bondholders/>

Hagel, Jack (May 2014). Meeting the Challenge of the Young and the Restless. Vol. 217. No. 5. *Journal of Accountancy*.

Katz, D. (February de 2009). The Power of Callable Bonds. *CFO Magazine*.

Lawson, R. (. (2014). Focusing Accounting Curricula on Students' Long-Run Careers: Recommendations for an Integrated Competency-Based Framework for Accounting Education. *ISSUES IN ACCOUNTING EDUCATION*, 295-317.

Lewis j Altfest, W. P. (April de 2012). A Wealth of Opportunity. *Journal of Accountancy*.

Mendlowitz, E. (June de 2012). Carousel of Progress. *Journal of Accountancy*.

Moore, Scott. (2013). Trends in the supply of Accounting Graduates and the Demand for Public Accounting Recruit. American Institute of Certified Public Accountants. Obtenido el 3 de Agosto de: <http://www.aicpa.org/InterestAreas/AccountingEducation/NewsAndPublications/DowndloadableDocuments/2013-TrendsReport.PDF>

Nilsen, K. (November de 2010). Shaping The Future. *Journal of Accountancy*.

Parker, Paull, (January 2014). Global Accounting Standards - From Vision to Reality. pp 6, 8-10. *The CPA Journal*.

- PwC. (29 de 10 de 2009). *FASB Accounting Standards Codification Quick Reference Guide*. Obtenido el 1 de agosto de 2014 de pwc:
http://www.pwc.com/en_US/us/cfodirect/assets/pdf/accountingguides/pwc_codification_quick_reference_guide.pdf
- Tysiac, K. (July 23, 2015). FASB simplifies inventory measurement guidance. *Journal of Accountancy*.
- Xero. (15 de September de 2015). *Positioning Cloud Accounting to Clients*. Recuperado el 27 de October de 2015, de Accounting Today:
http://www.accountingtoday.com/partner_insights/articles/positioning-cloud-accounting-to-clients-75783-1.html?xero

ELECTRONIC ADDRESSES FOR ONLINE REFERENCES

Text resources: www.mhhe.com/spicelandfa3e

Other documents: www.contabilidad.uprrp.edu

Glossary of accounting terms: <https://debitoor.es/glosario>,
<http://www.nysscpa.org/professionalresources/accounting-terminology-guide#sthash.J0Cjjs8a.dpbs>

How to Access databases video:

http://www.youtube.com/watch?v=dQyDkA0H7SA&list=PL490D02D4F0804368&index=1&feature=plpp_video

Accounting policy organizations:

[Security and Exchange Commission http://www.sec.gov/](http://www.sec.gov/)
[Public Company Accounting oversight board \(PCAOB\) http://pcaobus.org/](http://pcaobus.org/)
[Financial Accounting Standards Board \(FASB\) http://www.fasb.org/home](http://www.fasb.org/home)
 International Financial Reporting Standards <http://www.ifrs.org/>
 Governmental Accounting Standards Board
<http://www.gasb.org/home>

Accounting professional organizations:

Colegio de Contadores Públicos Autorizados de Puerto Rico:
<http://www.colegiocpa.com/index.php?node=5829>
 Financial Accounting Standards Board (FASB):
<http://www.fasb.org/home> PwC regulatory and standard setter
 developments
<http://www.pwc.com/us/en/cfodirect/publications/regulatory-standard-settingdevelopments/index.ihtml>

The American Accounting Association <http://aaahq.org/>
American Institute of Certified Public Accountants
<http://www.aicpa.org/> The Association of Accountants and Financial
Professionals in Business (IMA) <http://www.imanet.org/>
Association of Certified Fraud Examiners <http://www.acfe.com/>

Employment opportunities:

<http://www.bls.gov/k12/content/students/careers/career-exploration.htm>
<http://www.bls.gov/ooh/Business-and-Financial/Accountants-and-auditors.htm>

CPA uniform exam

National Association of State Boards of Accountancy (NASBA CPA
exam):
<http://nasba.org/exams/cpaexam/> <http://nasba.org/exams/cpaexam/puertorico/>