El Camino College
COURSE OUTLINE OF RECORD – Official

Course Acronym:	BUS
Course Number:	126
Descriptive Title:	Accounting for Small Business
Division:	Business
Department:	Office Administration
Course Disciplines:	Accounting, Business, Management
Catalog Description:	This course addresses the accounting cycle for a small business. Topics covered include the fundamental accounting equation, types of accounts, debits and credits, the trial balance, the general journal, general ledger and preparation of financial statements. Adjusting entries, closing entries, and the post-closing trial balance will be prepared. Additional topics in this course include cash, cash controls, payroll, and employer taxes. This is an accounting course for small business in service environments. Note: This course is not open to students who have credit for or are currently enrolled in Business 1A. This course is not recommended for the student who has completed two years of high school bookkeeping with a grade of C or better.
Prerequisite:	
Co-requisite:	
Recommended Preparation:	Eligibility for English 1A
Enrollment Limitation:	
Hours Lecture (per week):	3
Hours Laboratory (per week):	0
Outside Study Hours:	6
Total Course Hours:	54
Course Units:	3
Grading Method:	Letter Grade only
Credit Status:	Credit, degree applicable
Transfer CSU:	Yes
Effective Date:	11/24/2009
Transfer UC:	No
Effective Date:	

General Education: ECC	
Term:	
Other:	
CSU GE:	
Term:	
Other:	
IGETC:	
Term:	
Other:	
Student Learning Outcomes:	**SLO #1 Terminology** Define accounting terminology and explain the importance of accounting information. **SLO #2 Process** Process accounting information, including records related to banking and payroll. **SLO #3 Prepare** Complete all steps of the accounting cycle and prepare financial statements.
Course Objectives:	1. Analyze the components of accounting and explain the importance of accounting information. 2. Define and identify assets, liabilities, owner's equities, revenue, and expenses. 3. Explain the fundamental accounting equation and determine the impact of various business transactions on this equation. 4. Record business transactions in journals and post transactions to ledger accounts. 5. Complete all steps in the accounting cycle for service and merchandising businesses. 6. Prepare and analyze financial statements of small businesses. 7. Maintain bank accounts and reconcile bank statements for businesses. 8. Calculate employee earnings, determine deductions, and create payroll records. 9. Calculate employer's payroll tax returns and complete forms.
Major Topics:	**I. The Fundamental Accounting Equation (6 hours, lecture)** A. Assets, Liabilities, and Owner's Equity accounts B. Revenue and Expense accounts C. Transactions analysis and recording business transactions in a columnar form **II. T Accounts, Debits and Credits, the Trial Balance, and Financial Statements (8 hours, lecture)** A. T Account concept as used in the accounting profession. B. Debit and Credit C. Analysis and recording of business transactions using Debits and Credits in T Account form D. Trial Balance concept E. Trial Balance preparation F. Introduce the financial statements (Income Statement, Statement of Owner's Equity, and Balance Sheet) G. Prepare Financial Statements

III. The General Journal and the General Ledger (7 hours, lecture)
A. Source documents
B. Business transactions to the General Journal
C. Posting transactions to the General Ledger
D. Preparing a Trial Balance from the General Ledger

IV. Prepare Adjusting Entries (8 hours, lecture)
A. Fiscal Period
B. The need for adjusting entries
C. Preparing end-of-period adjusting entries
D. Using a ten-column Work Sheet to prepare an Adjusted Trial Balance, income statement, and balance sheet
E. Journalizing and posting adjusting entries to the General Journal and the General Ledger
F. End of period financial statements

V. Prepare Closing Entries and the Post-Closing Trial Balance (8 hours, lecture)
A. Purpose for closing entries
B. Closing procedures
C. Closing entry adjustments
D. Journalizing and Posting closing entries to the General Journal and General Ledger
E. Preparing the Post-Closing Trial Balance
F. Differences between Cash and Accrual accounting methods

VI. Bank Accounts, Cash Funds, and Internal Controls (7 hours, lecture)
A. Cash and the purpose of Internal Controls
B. Checking Accounts
C. Petty Cash
D. Change Funds
E. Reconciliations of checking accounts, petty cash funds, and change funds
F. Journalizing and posting to the General Journal and General Ledger
G. Relationships between Cash, Accounts Receivable, and Accounts Payable

VII. Employee Earnings and Deductions (5 hours, lecture)
A. Employer-Employee relationships
B. Laws affecting Employee's Pay Deductions
C. Laws affecting Employer's Payroll Contributions
D. Recording payroll
E. Payroll services

VIII. Employer Taxes, Payments, and Reports (5 hours, lecture)
A. The Employer Identification Number
B. The Employer's payroll tax obligations
C. Calendar for required payroll tax payments

Total Lecture Hours:	54
Total Laboratory Hours:	0
Total Hours:	54

Primary Method of Evaluation:	2) Problem solving demonstrations (computational or non-computational)
Typical Assignment Using Primary Method of Evaluation:	Analyze transactions, journalize and post, prepare financial statements (Income Statement, Statement of Owner's Equity, and Balance Sheet).
Critical Thinking Assignment 1:	Complete an end-of-term comprehensive assignment involving the entire accounting cycle. Students will: • Analyze transactions • Journalize transactions to the General Journal • Post to a General Ledger • Produce a Trial Balance • Analyze end-of-period adjustments • Produce an accounting worksheet • Produce financial statements (Income Statement, Statement of Owner's Equity, and Balance Sheet) • Close for the end of the accounting period • Journalize closing to the General Journal and post to the General Ledger • Produce a Post-Close Trial Balance and Balance Sheet
Critical Thinking Assignment 2:	Prepare a complete worksheet showing end-of-period adjustments, an Adjusted Trial Balance, Income Statement, and Balance Sheet.
Other Evaluation Methods:	Class Performance, Completion, Homework Problems, Matching Items, Multiple Choice, Other Exams, Performance Exams, Quizzes, True/False
Instructional Methods:	Demonstration, Group Activities, Lecture, Multimedia presentations, Role play/simulation
If other:	
Work Outside of Class:	Answer questions, Problem solving activity, Required reading, Skill practice, Study
If Other:	
Up-To-Date Representative Texts:	Cathy Scott, <u>College Accounting: A Career Approach</u>, 13th ed., Cengage, 2018. (Discipline Standard)
Alternative Texts:	
Required Supplementary Readings:	
Other Required Materials:	Working papers with Study Guide - online or workbook
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 1A
Requisite Skill and Matching skill(s): Bold the requisite skill. List the corresponding course objective under each skill(s). If applicable	**Read and analyze transactions, determine aggregate accounts involved, and record transactions.** Employ basic study skills and reading strategies to explain at the literal level the content of a text. Read and apply critical thinking skills to pre-collegiate texts for the purposes of writing and discussion.
Enrollment Limitations and Category:	
Enrollment Limitations Impact:	
Course Created by:	Marjorie Long
Date:	05/01/1973
Original Board Approval Date:	Spring 1973
Last Reviewed and/or Revised by:	David Pahl
Date:	09/14/2023
Last Board Approval Date:	11/20/2023
Effective Term:	FALL 2024