

Overview

The Accounting Fundamentals module helps learners understand the foundations of business accounting, including basic financial statement analysis, analytical measures, corporate annual reports, capital investment analysis, internal controls, budgeting, and performance measures.

This module is intended as a review of the key concepts, fundamentals, and foundations of the discipline.

Learners

This module is designed for learners who require an overview of the discipline. The module is commonly used in an academic leveling (transition to graduate education) or business review (capstone) course or program.

Module Authors

The author for this module is Peregrine Global Services, which is headquartered in Gillette, Wyoming. It includes materials from a variety of sources as indicated within the module.

Learning Outcomes

The learning outcomes for the module are as follows. With the completion of this module, learners should be able to:

1. Describe basic financial statement analytical procedures.
2. Apply financial statement analysis to assess the solvency of a business.
3. Apply financial statement analysis to assess the profitability of a business.
4. Summarize the uses and limitations of analytical measures.
5. Describe the contents of corporate annual reports.
6. Explain the nature and importance of capital investment analysis.
7. Evaluate capital investment proposals using the following methods: average rate of return, cash payback, net present value, and internal rate of return.
8. Describe factors that complicate capital investment analysis.
9. Explain the capital rationing process.

10. Describe the basic elements of a financial accounting system.
11. Summarize transactions for a corporation's first period of operations.
12. Summarize transactions for a corporation's second period of operations.
13. Describe the Sarbanes-Oxley Act of 2002 and its impact on internal controls and financial reporting.
14. Explain the objectives and elements of internal control.
15. Explain the use of a bank reconciliation in controlling cash.
16. Describe the nature and objectives of budgeting.
17. Describe the master budget for a manufacturing business.
18. Explain how standards are used in budgeting.
19. Interpret the basic variances for direct materials and direct labor.
20. Describe examples of nonfinancial performance measures.

Curriculum

<u>Section</u>	<u>Topics</u>
Section 1: Financial Statement Analysis	<ul style="list-style-type: none"> • Basic Analytical Procedures • Solvency Analysis • Profitability Analysis • Summary of Analytical Measures • Corporate Annual Reports
Section 2: Capital Investment Analysis	<ul style="list-style-type: none"> • Nature of Capital Investment Analysis • Methods of Evaluating Capital Investment Proposals • Factors That Complicate Capital Investment Analysis
	<ul style="list-style-type: none"> • Capital Rationing

<p>Section 3: Basic Accounting Concepts</p>	<ul style="list-style-type: none"> • Elements of an Accounting System • Recording a Corporation’s First Period of Operations • Financial Statements for a Corporation’s First Period of Operations • Recording a Corporation’s Second Period of Operations • Financial Statements for a Corporation’s Second Period of Operations
<p>Section 4: SarbanesOxley, Internal Control, and Cash</p>	<ul style="list-style-type: none"> • Sarbanes-Oxley Act of 2002 • Internal Control • Cash Controls over Receipts and Payments • Bank Accounts • Bank Reconciliation • Special-Purpose Cash Funds • Reporting Cash on Financial Statements
<p>Section 5: Budgeting and Standard Cost Systems</p>	<ul style="list-style-type: none"> • Nature and Objectives of Budgeting • Master Budget • Standards • Budgetary Performance Evaluation • Variance from Standards • Standards for Nonmanufacturing Expenses • Nonfinancial Performance Measures

Assessment

The module includes section quizzes and short exercises to ensure understanding of the instructional content. The module also includes a 20-question pre-test and post-test. The pre-test captures the learner’s baseline knowledge, and the post-test ensures that learners have grasped the concepts needed for success.

Hours and Articulation

Learner hours are shown in the following table. The hours are based on both the time within the module and time away from the module conducting application activities.

<u>Section</u>	<u>Hours</u>
Pre-test	0.25
Section 1: Financial Statement Analysis	0.50
Section 2: Capital Investment Analysis	1
Section 3: Basic Accounting Concepts	1
Section 4: Sarbanes-Oxley, Internal Control, and Cash	1
Section 5: Budgeting and Standard Cost Systems	1
Post-test	0.25
Total Hours	5