Course Outline for Business 7  
ACCOUNTING FOR SMALL BUSINESS

Catalog Description:

7 – Accounting for Small Business 3 units

Bookkeeping practices for a sole proprietorship. Debit and credit practice, books of original entry, ledgers, working papers, adjusting and closing entries, income statement, balance sheets, and statement of owner's equity, cash, payroll, special journals, merchandising firms. 3 hours lecture, 1 hour laboratory.  
[Typical contact hours: lecture 52.5, laboratory 17.5]

Prerequisite Skills:

None

Expected Outcomes for Students:

Upon completion of this course, the student should be able to:

1. solve and apply the fundamental accounting equation and its logical bookkeeping applications to an accounting system of a sole proprietorship;
2. describe basic accounting theory and practice as it relates to a sole proprietorship;
3. perform routine bookkeeping duties;
4. critically assess business ethics dilemmas typical for an accounting position within a small business;
5. summarize stages of the accounting cycle;
6. discuss specifics of bank accounts and cash funds;
7. differentiate among various special journals;
8. prepare, relate, and analyze financial statements for a sole proprietorship;
9. perform basic payroll accounting and distinguish between employee earnings, deductions and taxes.

Course Content:

1. Concepts and procedures
   a. Assets, liabilities, owner’s equity, revenue, expenses, and withdrawals
   b. The accounting equation
   c. The financial statements for a sole proprietorship
2. Debits and credits
   a. Fundamental definition
   b. Trial balance
3. The accounting cycle
   a. Journalizing – general journal
   b. Posting – ledger
   c. Adjustments
   d. Worksheet
   e. Closing
   f. Post-closing trial balance
4. Banking procedures and control of cash
   a. Checking accounts
   b. Bank reconciliations
   c. Petty cash
   d. Cash short or over
5. Basic payroll accounting for a small business
6. Special journals for a small merchandising firm
   a. Sales journals
   b. Cash receipts journal
   c. Purchase journal
d. Cash payments journal
e. Returns and allowances

7. Accounting cycle for a sole proprietorship
   a. Journalizing and posting adjusting and closing entries
   b. Worksheets
   c. Preparation of financial reports
   d. Reversing entire

8. Business ethics and ethical dilemmas in the accounting field

**Methods of Presentation:**

1. Lecture
2. Discussion
3. Problem solving
4. Case studies on business ethics and current events
5. Small group assignments
6. Accounting cycle project

**Assignments and Methods of Evaluating Student Progress:**

1. Typical Assignments
   a. Using transactions and a chart of accounts, journalize the transactions and post them to the general ledger.
   b. Find five job advertisements for a bookkeeper / accounting clerk on [www.monster.com](http://www.monster.com) for Oakland/East Bay Area. Prepare a written report to summarize the jobs’ salary range, five common responsibilities, skills, educational requirements. List specific skills/qualifications that you must develop to better qualify for these job openings.

2. Methods of Evaluating Student Progress
   a. Graded problems
   b. Examinations
   c. Internet-based assignments
   d. Case studies
   e. Current articles’ summaries
   f. Accounting cycle project
   g. Final examination

**Textbook(s) (Typical):**


**Special Student Materials:**

Calculator