This course supports the assessments for Principles of Accounting. The course covers 6 competencies and represents 4 competency units.

**Introduction**

**Overview**
This course focuses on ways in which accounting principles are used in business operations. In it you will learn about the basics of accounting, including how to use Generally Accepted Accounting Principles (GAAP), ledgers, and journals. You will be introduced to the steps of the accounting cycle, concepts of assets and liabilities, and general information about accounting information systems. This course also presents bank reconciliation methods, balance sheets, and business ethics.

**Getting Started**
Welcome to Principles of Accounting! In this course, you will learn five topics: Accounting Basics, Recording Financial Transactions, Accounting Processes, Assets and Liabilities, and Accounting Information Systems. Within these topics, you will be asked to read text, review presentation slides, and complete review problems for each chapter. You will need a financial calculator or access to spreadsheet software, such as Microsoft Excel, for computational problems throughout this course. To help you track your progress in the course, view the Topics and Pacing located in the Preparing for Success section. Competency will be demonstrated by the successful completion of an objective assessment.

Watch the following welcome video for this course:

*Note: To download this video, right-click the following link and choose "Save as...":* [download video](#).

**Competencies**
This course provides guidance to help you demonstrate the following 6 competencies:

- **Competency 330.1.1: Accounting Basics**
  The graduate analyzes the role of accounting and its applications in various fields.

- **Competency 330.1.2: Recording Financial Transactions**
  The graduate uses accounting principles to accurately record information, post and modify transactions, and prepare various forms used in accounting.

- **Competency 330.1.3: Accounting Processes**
  The graduate analyzes accounting theory and why it is important in real-world situations.

- **Competency 330.1.4: Assets**
  The graduate performs accounting tasks related to financial assets for businesses and individuals.

- **Competency 330.1.5: Liabilities**
  The graduate performs accounting tasks related to financial liabilities for businesses and individuals.
Competency 330.1.6: Accounting Information Systems
The graduate analyzes the use of accounting information systems for various business functions.

Course Instructor Assistance
As you prepare to demonstrate competency in this subject, remember that course instructors stand ready to help you reach your educational goals. As subject matter experts, mentors enjoy and take pride in helping students become reflective learners, problem solvers, and critical thinkers. Course instructors are excited to hear from you and eager to work with you.

Successful students report that working with a course instructor is the key to their success. Course instructors are able to share tips on approaches, tools, and skills that can help you apply the content you’re studying. They also provide guidance in assessment preparation strategies and troubleshoot areas of deficiency. Even if things don’t work out on your first try, course instructors act as a support system to guide you through the revision process. You should expect to work with course instructors for the duration of your coursework, so you are welcome to contact them as soon as you begin. Course instructors are fully committed to your success!

Preparing for Success

The information in this section is provided to detail the resources available for you to use as you complete this course.

Learning Resources
The learning resources listed in this section are required to complete the activities in this course. For many resources, WGU has provided automatic access through the course. However, you may need to manually enroll in or independently acquire other resources. Read the full instructions provided to ensure that you have access to all of your resources in a timely manner.

Automatically Enrolled Learning Resources

You can access the learning resources listed in this section by clicking on the links provided throughout the course. You may be prompted to log in to the WGU student portal to access the resources.

McGraw-Hill Connect
You will access all of the activities for this course, including the reading assignments, in McGraw-Hill Connect. Please note that the primary learning resource for CYC1 and VYC1 is the e-text. The e-text chapters will provide you with an overview of the key concepts, as well as examples of how these concepts are utilized in real-world organizations. Once you have moved through the corresponding e-text chapter for each section, there will be resources from the McGraw-Hill Connect site to provide you with additional review of the concepts found in the e-text.

The following textbook is available to you as an e-text within this course:

Note: This e-text is available to you free of charge, but you may purchase a hard copy at your own expense through a retailer of your choice. If you choose to do so, please use the ISBN listed to ensure that you receive the correct edition.

To become familiar with using McGraw-Hill Connect and LearnSmart, please view the following video:

- McGraw-Hill Connect Introduction Video

Note: The course depicted in the video is not Principles of Accounting, but will introduce you to the navigation and resources in Connect and LearnSmart

The major activities in the program involve:

- textbook readings;
- Presentations;
- chapter quizzes; and
- additional study questions.

It is recommended that you complete all activities in McGraw-Hill Connect for each chapter. You are also encouraged to complete the chapters in order, without skipping any, including the appendices.

VitalSource E-Texts
The following textbook is available to you as an e-text within this course. You will be directly linked to the specific readings required within the activities that follow.


Note: This e-text is available to you as part of your program tuition and fees, but you may purchase a hard copy at your own expense through a retailer of your choice. If you choose to do so, please use the ISBN listed to ensure that you receive the correct edition.

Supplemental Resource: Introduction to Accounting: The Language of Business
In order to ensure that you have the grounding in accounting fundamentals necessary to complete this assessment successfully, you may wish to review some core concepts prior to and during engagement in this course. The Introduction to Accounting: The Language of Business courseware contains modules with lessons that are instructor-led with on-screen presentation of material. There are numerous helps built into each lesson. This resource is only necessary for those students who need to build a more solid foundation in accounting principles while working through the remainder of this course’s activities. Click the following link to access the resource:
Minimum Technical Requirements

Obtain a Calculator
You will need a financial calculator or access to spreadsheet software, such as Microsoft Excel, for computational problems throughout this course. The recommended financial calculator is the Texas Instruments BA-II Plus. You may only use an approved financial calculator during the pre-assessment and assessment for this course. You are unable to use Excel during the assessments.

Topics and Pacing
This outline suggests a weekly structure to pace your completion of learning activities. It is provided as a suggestion and does not represent a mandatory schedule. Follow these guidelines carefully to complete the course in the suggested timeframe.

Week 1:
- Accounting for Business Today
- Financial Statements

Week 2:
- Journalizing and Posting Transactions
- Recording Business Information

Week 3:
- Preparing and Adjusting Entries, Part 1
- Sales and Receivables, Part 1

Week 4:
- Purchasing and Payables
- Cash and Controls

Week 5:
- Employee and Payroll Accounting

Week 6:
- Preparing and Adjusting Entries, Part 2
- Financial Statements and Closing Procedures

Week 7:
Accounting Basics

Accounting is an important part of every business. A business’s financial information must be recorded, analyzed, and reported to stakeholders within the company and external to the company, and it is the accountant’s responsibility to ensure that this information is accurate because many day-to-day business decisions rely on the timeliness and reliability of accounting data.

In this section, you will be introduced to the basics of accounting, such as the roles of an accountant and some of the general policies that all accountants should follow.

Accounting for Business Today
This topic addresses the following competency:

- Competency 330.1.1: Accounting Basics
  The graduate analyzes the role of accounting and its applications in various fields.

This topic highlights the following objectives:

- Identify the users of accounting information and their informational needs.
- Identify the people responsible for providing accounting information to those who need it.
- Explain why ethics and personal integrity are important issues in the practice of accounting.
- Explain the importance of GAAP in relation to various standards bodies.

Accounting: The Language of Business

Read the following chapter in College Accounting.

- Chapter 1 ("Accounting: The Language of Business")

Note: Click the eBook icon on the right side of the screen after following the link and then select the appropriate chapter in the drop-down menu on the left side.

Complete the following activities for Chapter 1. Note: Click Chapter 1 in the Assignment list to access these activities.

- Review the slides.
- Complete the chapter quiz.
• Complete the additional study questions.

Financial Statements
This topic addresses the following competency:

• **Competency 330.1.2: Recording Financial Transactions**
  The graduate uses accounting principles to accurately record information, post and modify transactions, and prepare various forms used in accounting.

This topic highlights the following objectives:

• Identify assets, liabilities, and equity in various situations.
• Identify key elements of an income statement.
• Identify key elements of a statement of owner’s equity (SOE).
• Identify key elements of a balance sheet.
• Compare and contrast the purposes and uses of an income statement, a statement of owner’s equity (SOE), and a balance sheet.
• Apply the fundamental accounting equation in various situations.

Analyzing Business Transactions

Read the following chapter in *College Accounting*.

• Chapter 2 (“Analyzing Business Transactions”)

*Note: Click the eBook icon on the right side of the screen after following the link and then select the appropriate chapter in the drop-down menu on the left side.*

Complete the following activities in Chapter 2. *Note: Click Chapter 2 in the Assignment list to access these activities.*

• Review the slides.
• Complete Pre-Built Problems.
• Complete the chapter quiz.
• Complete the additional study questions.

Recording Financial Transactions

Understanding how a business processes transactions is critical to the study of accounting fundamentals. The daily work in accounting tends to be repetitive, as similar business events tend to occur regularly in a company. It is helpful to employ a methodical approach to analyzing
transactions. In daily, monthly, and annual accounting, some balances are maintained while others are zeroed out. Recording business transactions with debits and credits is one of the most important accounting concepts for you to learn.

**Journalizing and Posting Transactions**

This topic addresses the following competency:

- **Competency 330.1.2: Recording Financial Transactions**
  The graduate uses accounting principles to accurately record information, post and modify transactions, and prepare various forms used in accounting.

This topic highlights the following objectives:

- Identify debits and credits for various situations.
- Explain the role of double-entry bookkeeping in journalizing and posting transactions.
- Explain the importance and purpose of a trial balance.
- Analyze transactions using ledgers and journals.
- Record transactions using T accounts while maintaining the integrity of the accounting equation.

**Analyzing Business Transactions**

Read the following chapter in *College Accounting*.

- **Chapter 3 (“Analyzing Business Transactions Using T Accounts”)**

*Note: Click the eBook icon on the right side of the screen after following the link and then select the appropriate chapter in the drop-down menu on the left side.*

Complete the following activities for Chapter 3. *Note: Click Chapter 3 in the Assignment list to access these activities.*

- Review the slides.
- Complete the chapter quiz.
- Complete the additional study questions.

**Recording Business Information**

This topic addresses the following competency:

- **Competency 330.1.1: Accounting Basics**
  The graduate analyzes the role of accounting and its applications in various fields.

This topic highlights the following objectives:

- Identify the various source documents required for processing an accounting transaction.
• Identify different financial statements that can be completed at the end of an accounting cycle.
• List the different stages of a trial balance.
• Explain the processes of journalizing and posting.
• Outline the process of balancing.
• Outline the process of entering adjustment entries to journals.
• Explain the process of closing accounts.
• Analyze the importance of various accounting processes.

**The General Journal and the General Ledger**

Read the following chapter in *College Accounting*.

• [Chapter 4 ("The General Journal and the General Ledger")](#)

*Note: Click the eBook icon on the right side of the screen after following the link and then select the appropriate chapter in the drop-down menu on the left side.*

Complete the following activities for [Chapter 4](#). *Note: Click Chapter 4 in the Assignment list to access these activities.*

• Review the slides.
• Complete Pre-Built Problems.
• Complete the chapter quiz.
• Complete the additional study questions.

**Preparing and Adjusting Entries, Part 1**

This topic addresses the following competency:

• **Competency 330.1.2: Recording Financial Transactions**
  The graduate uses accounting principles to accurately record information, post and modify transactions, and prepare various forms used in accounting.

This topic highlights the following objectives:

• Identify various types of adjusting entries for accruals.
• Explain how accounts are adjusted.
• Explain the importance of revenue recognition in accounting.
• Explain the importance of the matching principle in accounting.
• Compare and contrast the accrual and cash-basis reporting methods in relation to the accounting period principle.
• Record adjusted entries for prepaid expenses and unearned revenue.

**Adjustments and the Worksheet**

Read the following chapter in *College Accounting*.

• [Chapter 5 ("Adjustments and the Worksheet")](#)
Closing Entries and the Postclosing Trial Balance

Read the following chapter in *College Accounting*.

- **Chapter 6** ("Closing Entries and the Postclosing Trial Balance")

**Assets and Liabilities, Part 1**

Many things can affect the way an accountant works in a business, especially the size of the business and the number of transactions it deals with. Assets are economic resources or things the company owns. Typically, assets are reported as current assets (those assets that can be converted to cash in one year or less) and long-term assets (those that will last longer than one year).

In addition to assets, accountants must also record and report liabilities. Liabilities represent the debts of a company or accounts that the company owes. Liabilities are reported as short-term liabilities (amounts due and payable in one year or less) and long-term liabilities (amounts due and payable in more than one year).

**Sales and Receivables, Part 1**

This topic addresses the following competency:

- **Competency 330.1.4: Assets**
  The graduate performs accounting tasks related to financial assets for businesses and individuals.
This topic highlights the following objectives:

- Explain the purpose of the sales journal.
- Explain the purpose of the accounts receivable (A/R) ledger.
- Explain how accounts receivable are recognized and valued.
- Explain how to estimate bad debt expense.
- Post adjusting entries using the percent of sales, percent of A/R, and aging of A/R methods.
- Post entries to the sales journal and the A/R.
- Record transactions for different types of credit sales.
- Record transactions for sales allowances and returns.

Accounting for Sales and Accounts Receivable

Read the following chapter in *College Accounting*.

- **Chapter 7 (“Accounting for Sales and Accounts Receivable”)**

*Note: Click the eBook icon on the right side of the screen after following the link and then select the appropriate chapter in the drop-down menu on the left side.*

Complete the following activities for Chapter 7. *Note: Click Chapter 7 in the Assignment list to access these activities.*

- Review the slides.
- Complete Pre-Built Problems.
- Complete the chapter quiz.
- Complete the additional study questions.

Purchasing and Payables

This topic addresses the following competency:

- **Competency 330.1.5: Liabilities**
  The graduate performs accounting tasks related to financial liabilities for businesses and individuals.

This topic highlights the following key concepts:

- Explain the purpose of the purchase order journal and accounts payable (A/P) ledger.
- Explain how accounts payable are recognized and valued.
- Analyze transactions for returns and allowances.
- Prepare entries for the purchase order journal and accounts payable (A/P) ledger.
- Record transactions for different types of payables.

Accounting for Purchases and Accounts Payable

Read the following chapter in *College Accounting*. 
- **Chapter 8 (“Accounting for Purchases and Accounts Payable”)**

  *Note: Click the eBook icon on the right side of the screen after following the link and then select the appropriate chapter in the drop-down menu on the left side.*

  Complete the following activities for Chapter 8. *Note: Click Chapter 8 in the Assignment list to access these activities.*

  - Review the slides.
  - Complete Pre-Built Problems.
  - Complete the chapter quiz.
  - Complete the additional study questions.

**Cash and Controls**

This topic addresses the following competency:

- **Competency 330.1.4: Assets**
  The graduate performs accounting tasks related to financial assets for businesses and individuals.

This topic highlights the following key concepts:

- Identify the various types of cash transactions.
- Identify the major guidelines and internal measures for controlling cash receipts and disbursements.
- Explain the purpose and use of a petty cash fund.
- Explain the concept of internal controls.
- Perform a bank reconciliation.

**Cash Receipts, Cash Payments, and Banking Procedures**

Read the following chapter in *College Accounting.*

- **Chapter 9 (“Cash Receipts, Cash Payments, and Banking Procedures”)**

  *Note: Click the eBook icon on the right side of the screen after following the link and then select the appropriate chapter in the drop-down menu on the left side.*

  Complete the following activities for Chapter 9. *Note: Click Chapter 9 in the Assignment list to access these activities.*

  - Review the slides.
  - Complete Pre-Built Problems.
  - Complete the chapter quiz.
  - Complete the additional study questions for.

**Employee and Payroll Accounting**

This topic addresses the following competency:
• **Competency 330.1.5: Liabilities**
  The graduate performs accounting tasks related to financial liabilities for businesses and individuals.

This topic highlights the following key concepts:

- Identify the responsibilities for withholding and submitting payroll taxes to the federal government.
- Distinguish between an independent contractor and an employee.
- Calculate wages payable for full-time, part-time, salaried, hourly, commission, and piece-rate employees.
- Calculate payroll tax deductions and liabilities.

**Payroll Computations, Records, and Payment**

Read the following chapter in *College Accounting*.

- **Chapter 10 ("Payroll Computations, Records, and Payment")**

*Note: Click the eBook icon on the right side of the screen after following the link and then select the appropriate chapter in the drop-down menu on the left side.*

Complete the following activities for **Chapter 10**. *Note: Click Chapter 10 in the Assignment list to access these activities.*

- Review the slides.
- Complete Pre-Built Problems.
- Complete the chapter quiz.
- Complete the additional study questions.

**Payroll Taxes, Deposits, and Reports**

Read the following chapter in *College Accounting*.

- **Chapter 11 ("Payroll Taxes, Deposits, and Reports")**

*Note: Click the eBook icon on the right side of the screen after following the link and then select the appropriate chapter in the drop-down menu on the left side.*

Complete the following activities for **Chapter 11**. *Note: Click Chapter 11 in the Assignment list to access these activities.*

- Review the slides.
- Complete Pre-Built Problems.
- Complete the chapter quiz.
- Complete the additional study questions.

**Accounting Processes**
In this section, you will learn about the steps in the accounting cycle, including additional information about preparing and adjusting entries. It is important that you understand the cyclical nature of this process so you will be able to apply it in situations you encounter in your studies and in your career. The steps of the accounting cycle include preparing a chart of accounts, analyzing transactions that have taken place, journalizing transactions, and posting journal entries to the ledger. This process is repeated until the end of the accounting period.

At the end of the accounting period, the last steps of the accounting cycle are performed to ready the accounting records for the upcoming accounting period. Large companies generally report business results on a quarterly basis, whereas smaller companies report results on a monthly basis.

Preparing and Adjusting Entries, Part 2
This topic addresses the following competency:

- **Competency 330.1.2: Recording Financial Transactions**
  The graduate uses accounting principles to accurately record information, post and modify transactions, and prepare various forms used in accounting.

This topic highlights the following key concepts:

- Identify various types of adjusting entries for accruals.
- Explain how accounts are adjusted.
- Explain the importance of revenue recognition in accounting.
- Explain the importance of the matching principle in accounting.
- Compare and contrast the accrual and cash-basis reporting methods in relation to the accounting period principle.
- Record adjusted entries for prepaid expenses and unearned revenue.

Accruals, Deferrals, and the Worksheet

Read the following chapter in *College Accounting*.

- **Chapter 12 (“Accruals, Deferrals, and the Worksheet”)**

*Note: Click the eBook icon on the right side of the screen after following the link and then select the appropriate chapter in the drop-down menu on the left side.*

Complete the following activities for Chapter 12. *Note: Click Chapter 12 in the Assignment list to access these activities.*

- Review the narrated slides.
- Complete Pre-Built Problems.
- Complete the chapter quiz.
- Complete the additional study questions.

Financial Statements and Closing Procedures
This topic addresses the following competencies:
**Competency 330.1.3: Accounting Processes**
The graduate analyzes accounting theory and why it is important in real-world situations.

This topic highlights the following key concepts:

- Identify the steps in the accounting cycle.
- Outline the process of adjusting trial balance.
- Explain the classification structure and categories used in the accounting cycle.
- Outline the process of closing an account.
- Create a post-closing trial balance.
- Prepare a classified balance sheet.
- Prepare financial statements from an adjusted trial balance.

**Posting the Adjusting Entries**

Read the following chapter in *College Accounting*

- Chapter 13 ("Financial Statements and Closing Procedures")

*Note: Click the eBook icon on the right side of the screen after following the link and then select the appropriate chapter in the drop-down menu on the left side.*

Complete the following activities for Chapter 13. *Note: Click Chapter 13 in the Assignment list to access these activities.*

- Review the narrated slides.
- Complete Pre-Built Problems.
- Complete the chapter quiz.
- Complete the additional study questions.

**The Accounting Cycle**

This topic addresses the following competency:

- **Competency 330.1.3: Accounting Processes**
The graduate analyzes accounting theory and why it is important in real-world situations.

This topic highlights the following key concepts:

- Identify the steps in the accounting cycle.
- Outline the process of adjusting trial balance.
- Explain the classification structure and categories used in the accounting cycle.
- Outline the process of closing an account.
- Create a post-closing trial balance.
- Prepare a classified balance sheet.
- Prepare financial statements from an adjusted trial balance.

**Accounting Principles and Reporting Standards**
Read the following chapter in *College Accounting*.

- **Chapter 14 ("Accounting Principles and Reporting Standards")**

*Note: Click the eBook icon on the right side of the screen after following the link and then select the appropriate chapter in the drop-down menu on the left side.*

Complete the following activities for **Chapter 14**. *Note: Click Chapter 14 in the Assignment list to access these activities.*

- Review the narrated slides.
- Complete Pre-Built Problems.
- Complete the chapter quiz.
- Complete the additional study questions.

**Assets and Liabilities, Part 2**

This section expands upon the content you studied in Assets and Liabilities, Part 1.

**Sales and Receivables, Part 2**

This topic addresses the following competency:

- **Competency 330.1.4: Assets**
  The graduate performs accounting tasks related to financial assets for businesses and individuals.

This topic highlights the following key concepts:

- Explain the purpose of the sales journal.
- Explain the purpose of the accounts receivable (A/R) ledger.
- Explain how accounts receivable are recognized and valued.
- Explain how to estimate bad debt expense.
- Post adjusting entries using the percent of sales, percent of A/R, and aging of A/R methods.
- Post entries to the sales journal and the A/R ledger.
- Record transactions for different types of credit sales.
- Record transactions for sales allowances and returns.

**Accounts Receivable and Uncollected Accounts**

Read the following chapter in *College Accounting*.

- **Chapter 15 (“Accounts Receivable and Uncollected Accounts”)**

*Note: Click the eBook icon on the right side of the screen after following the link and then select the appropriate chapter in the drop-down menu on the left side.*

Complete the following activities for **Chapter 15**. *Note: Click Chapter 15 in the Assignment list to
access these activities.

- Review the narrated slides.
- Complete Pre-Built Problems.
- Complete the chapter quiz.
- Complete the additional study questions.

**Accounting Information Systems**

This section will give you a brief introduction to accounting information systems.

**Accounting Information Systems**

This topic is an introduction to accounting information systems. Technology has a significant impact on accounting, as it does on many aspects of business operation, and accounting information systems are something that accountants and other business professionals interact with every day. As you continue in your business career, you will be working with accounting information systems and other evolving technologies on a daily basis. Your knowledge and skills with these tools will develop with experience, but in this section you will focus primarily on fundamental principles and components of accounting information systems and the impact of technology on accounting in companies of various sizes.

This topic addresses the following competency:

- **Competency 330.1.6: Accounting Information Systems**
  The graduate analyzes the use of accounting information systems for various business functions.

This topic highlights the following key concepts:

- Identify the fundamental principles of an accounting information system.
- Identify the components of an accounting information system.
- Explain the need for and use of special journals in an accounting information system.
- Explain the use of subsidiary ledgers in an accounting information system.
- Analyze the impact of technology on small, mid-size, and large companies’ accounting information systems.

**Accounting Information Systems**

Read the following chapter in *Fundamental Accounting Principles* and complete the review activities:

- Chapter 7 ("Accounting Information Systems")

**Final Steps**

Congratulations on completing the activities in this course! This course has prepared you to complete the assessments associated with this course. If you have not already been directed to complete the assessments, schedule and complete them now.