BUSINESS ADMINISTRATION 101 A
FINANCIAL ACCOUNTING

Does Ohlone’s financial accounting course help it meet its goals?
BACKGROUND

• Required for AA of AS in Business Administration

• Outcomes consistent throughout country
  • Most outcomes at Bloom’s Level 1 or 2

• Subject grounded in philosophy of Pacioli (15th century)

• Course content is hierarchical in nature
Creating
Evaluating
Analyzing
Applying
Understanding
Student Learning Outcomes

(1 of 2)

1. Explain the nature and purpose of generally accepted accounting principles and IFRS
2. Explain and apply the components of the conceptual framework for financial accounting and reporting, including the qualitative characteristics of accounting information, the assumptions underlying accounting, the basic principles of financial accounting, and the constraints and limitations on accounting information
3. Define and use accounting and business terminology
4. Explain what a system is and how an accounting system is designed to satisfy the needs of specific businesses; summarize the purpose of a journal and a ledger
5. Apply transaction analysis, input transactions into the accounting system, process this input, and prepare and interpret the four basic financial statements
6. Distinguish between cash basis and accrual basis accounting and their impact on the financial statements, including the matching principle
7. Identify and illustrate how the principles of internal controls and used to manage and control the firm's resources and minimize risk
8. Explain the content, form, and purpose of the basic financial statements (including footnotes) and the annual report, and how they satisfy the information needs of investors, and other users
Student Learning Outcomes (2 of 2)

9. Explain the nature of current asset issues including measuring and reporting receivables and bad debts, measuring and reporting inventory and cost of goods sold
10. Explain the valuation and reporting of current liabilities, estimated liabilities, and other contingencies
11. Identify and illustrate issues relating to long-term asset acquisition, use, depreciation, and disposal
12. Distinguish between capital and revenue expenditures
13. Identify and illustrate issues relating to long-term liabilities including valuation of debt, issuance, and retirement of debt; (including time value of money).
14. Identify and illustrate issues relating to stockholders' equity including issuance, repurchase of capital stock, and dividends
15. Explain the importance of operating, investing and financing activities reported the Statement of Cash Flows when evaluating solvency and liquidity of the firm
16. Interpret company activity, profitability, and liquidity through selection and application of appropriate financial analysis tools
17. Identify the ethical implications inherent in financial reporting and be able to apply strategies for addressing them
Hierarchical Concept Learning

The way we escape the infeasibility of learning arbitrary concepts is by first learning relevant subconcepts of the target concept, and then learning the target concept itself
Rivest & Sloan 1994

- The course contains a great volume of knowledge that must be learned, compressed, and serve as the basis for new knowledge.

- Both deductive and inductive reasoning are necessary
  - GAAP is created by man…. many imperfections and exceptions (LIFO inventory accounting)
Researchers studying variables related to success in this important course have reached consensus that academic aptitude is the greatest predictor of course mastery.

Unfortunately and surprisingly, higher study hours do not correlate to higher grades.
Ohlone College Goals: Culture of Evidence Based Decision Making

1. Through innovative programs and services, improve student learning and achievement.

2. Support the economic vitality of the community through educational programs and services that respond to identified employment needs.

3. Promote continuous, needs-based, learning and professional development opportunities for all District personnel.

4. Use human, fiscal, technological, and physical resources responsibly, effectively, and efficiently to maximize student learning and achievement.

5. Lead and educate the community in environmental sustainability.

6. Enhance college-wide interaction with, and acceptance of, diverse peoples, cultures, arts, and perspectives.

7. Increase access to higher education of under-served and under-represented demographic groups in the District and local communities.

8. Engage all members of the college community in active, continual institutional improvement.
Defining College Success

Disparity among Millennials Ages 25-32
By Education Level in Terms of
Annual Earnings ...
(median among full-time workers, in 2012 dollars)

- Bachelor's degree or more: $45,500
- Two-year degree/Some college: $30,000
- High school graduate: $28,000

Unemployment Rate ...

- Bachelor's degree or more: 3.8
- Two-year degree/Some college: 8.1
- High school graduate: 12.2

And Share Living in Poverty ...

- Bachelor's degree or more: 5.8
- Two-year degree/Some college: 14.7
- High school graduate: 21.8
Methodology:

- The analyses in this study are based on the college data warehouse from Fall 2004 semester through Fall 2013 for students who received a grade in BA101A, Financial Accounting.
  - Students who repeated the course were only counted once, when they received their highest grade.
    - 2,991 students.
- Grades were coded 0=F, 1=D, 2=C, 3=B and 4=A.
- Students who were awarded an associate’s degree, regardless of how many, were coded as 1 while those who did not were coded as 0. Certificates were ignored in this study.
### Results

#### GRADE_FA

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<th>Grade</th>
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<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
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<td>D</td>
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#### A_Award

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## Results

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</table>
Results
Conclusions

- There is a positive correlation between the grade earned in BA 101A and earning an associate’s degree
  - While the correlation is .15, the DV is extremely important.
- As the level of mastery increases, so does the likelihood of earning an associate’s degree
- BA 101A is an important course at Ohlone College and helps the institution meet its goals #’s 1 & 2
  - Ohlone has increased sections of BA 101A
  - The Accounting Computer Lab received new computers
  - The college approved hiring another full-time professor