Business Administration 101 A
Financial Accounting

PRESENTATION OF STUDENT LEARNING
OUTCOME ASSESSMENT
METHODOLOGY
BACKGROUND

• Required for AA in Business Administration
• Outcomes consistent throughout country
  • Most outcomes at Bloom’s Level 1 or 2
  • Teaching students “language” that will enable them to effectively communicate to others
• Foundation of knowledge for business majors
• Roughly 400 students per year
• Taught fully online and face-to-face (web enhanced)
• Subject grounded in philosophy of Pacioli (15th century)
• Same class taught at nearly every college in the country
  • Most use one of five textbooks that deliver the same basic material
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
Creating
Evaluating
Analyzing
Applying
Understanding
SLO Assessment

Multiple choice examinations (2 * 40-question midterms and a comprehensive 50-question final) mapped to learning outcomes

• Questions adapted from textbook publisher
  • Not scientifically tested for efficacy, but common across all college level Financial Accounting classes
• Capture achievement on an SLO basis
• Capture achievement for multi-step “calculation” problems
## Assessment Grid

<table>
<thead>
<tr>
<th>101 A Test 1 Outcome by Question</th>
<th>No. 1: Explain the nature and purpose of (GAAP) and (IFRS).</th>
<th>No. 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</th>
<th>No. 3: Define and use accounting and business terminology</th>
<th>No. 4: Explain what a system is and how an accounting system is designed to satisfy the needs of specific businesses and users; summarize the purpose of journals and ledgers</th>
<th>No. 5: Apply transaction analysis, input transactions into the accounting system, process this input, and prepare and interpret the four basic financial statements</th>
<th>Calculation problems</th>
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Assessment Example: Simple Recognition

14) Which of the following journal entries would be recorded if a business renders service and receives cash of $400 from the customer?

A)
Cash  400
    Service revenue  400

SLO’s #3 and #5

Student Achievement roughly 86%
Assessment Example: Recognition and One Calculation

4) Stockholders' equity is $150,000 and total liabilities are $90,000. Total assets would be (Hint: accounting equation):

A) $180,000. B) $240,000. C) $300,000. D) $60,000.

SLO’s #3, #5 and #8

Student Achievement roughly 95%
8) ABC Company reported the following transactions for September, 2013.

A) The company opened the business with a capital contribution of $23,500 cash. It was credited to common stock.
B) The company purchased office equipment for $11,500. The company paid $2,500 down and put the balance on a note payable.
C) The company paid a utility bill for $980 cash.
D) The company paid $2,000 cash for September rent.
E) The company had sales of $15,000 in September. Of these sales, 60% were cash sales, and the balance was credit sales.
F) The company paid $9,700 cash for office furniture.

What is the net income for September, 2013?

A) $5,300   B) $9,000   C) $6,020   D) $12,020

Discriminate between multiple transaction types, create income statement.

SLO's #3, #5 and #8
Student Achievement roughly 52%
Methodology

1. Assessing all SLO’s
   • Each outcome is assessed with about 10 different questions each semester
   • Questions are testing different dimensions, not repetitive
   • Assessment can be college-wide, across all sections

2. Adjustments can be made (closing the loop)
   • Change instruction techniques
   • Decision support for textbook and other publisher materials

3. Data cannot be disaggregated to investigate student performance by common demographics
Issues For Discussion: Who Are We Teaching And What Are We Teaching Them

1. Seeing beyond SLO’s
   • Rote learning vs. relevance

2. Preparing students for future academic success
   • Level of course complexity

3. Reach out to other local colleges to assess learning across peer institutions

4. Use data to investigate predictors for student persistence
   1. Longitudinal studies
   2. Demographic studies