

**Course Level Assessment**

**Principles of Accounting II (ACC 121)**

**Spring 2007 Assessment**

**8/29/2007**

**Submitted by Seyed Mirkhani**

**Approved by LOT Fall 2007**

The purpose of this report is to present the methodology and findings for the course level assessment of Principles of Accounting II (ACC 121). Principles of Accounting II serves as a required core course in the Business Management program. This course is an introduction to the principles and procedures in accounting for a corporation and manufacturing-type business. This course incorporates computer accounting technology to provide hands-on learning. To assure that Principles of Accounting II is meeting its intended purpose in the curriculum and that students are in fact achieving the defined course learning outcomes identified on the Master Course Record Form (See Attachment A), this course was selected for a course level assessment project to discern attainment of specified learning outcomes across multiple class sections. This course also serves as a general elective course for non-business majors.

## **Methodology**

Principles of Accounting II course outcomes will be assessed on a cyclical basis over three years beginning with the spring 2007 semester. Each year, a minimum of four course learning outcomes will be selected for evaluation. Dependent upon assessment findings, some outcomes will be assessed over multiple years to validate effectiveness of changes in curriculum or course materials. Exam questions addressing the target learning outcomes serve as indicators of student attainment of course learning outcomes. These exam questions are incorporated across all sections of ACC 121 during the assessment cycle. The minimum performance standard is set at 80%. At least 80% of the students completing the common indicators administered via the course examination will select the correct response. In the event that the minimum performance standard is not met, the

unmet learning outcome will be targeted for further monitoring. The results may also trigger an evaluation of course materials supporting the learning outcome, revision of course materials or further curriculum revision.

In the spring 2007 semester, five course learning outcomes were selected for assessment. The target learning outcomes include:

<b>Outcome 1:</b> Analyze financial statements
<b>Outcome 2:</b> Prepare cash flow statement
<b>Outcome 3:</b> Explain partnership accounting
<b>Outcome 4:</b> Record no-par value common stock
<b>Outcome 5:</b> List advantages and disadvantages of corporation

To assess these learning outcomes, standard questions were administered. All students enrolled in this section completed the standard questions. Eleven students were included in this sample. The outcomes and corresponding indicators are listed in Figure 1. Results were compiled for each indicator denoting the percentage of students selecting the correct response for each indicator. Findings from the data for each outcome are presented in the results section of this report.

Learning Outcome	Indicator																			
<p><b>Outcome 1:</b> Analyze financial statements</p>	<p><b>Question I. What type of analysis is indicated by the following?</b></p> <table border="1" data-bbox="581 310 1383 642"> <thead> <tr> <th></th> <th>2006</th> <th>2005</th> <th>Increase or (Decrease)</th> <th>% Increase of (Decrease)</th> </tr> </thead> <tbody> <tr> <td>Current Assets</td> <td>\$380,000</td> <td>\$500,000</td> <td>(\$120,000)</td> <td>(24%)</td> </tr> <tr> <td>Fixed Assets</td> <td>\$1,680,000</td> <td>\$1,500,000</td> <td>\$180,000</td> <td>12%</td> </tr> </tbody> </table> <p>a. Vertical analysis  <b>b. Horizontal Analysis</b>  c. Liquidity Analysis  d. Common-size analysis</p> <p>ANS: b</p>						2006	2005	Increase or (Decrease)	% Increase of (Decrease)	Current Assets	\$380,000	\$500,000	(\$120,000)	(24%)	Fixed Assets	\$1,680,000	\$1,500,000	\$180,000	12%
	2006	2005	Increase or (Decrease)	% Increase of (Decrease)																
Current Assets	\$380,000	\$500,000	(\$120,000)	(24%)																
Fixed Assets	\$1,680,000	\$1,500,000	\$180,000	12%																
<p><b>Outcome 2:</b> Prepare cash flow statement</p>	<p><b>Question II. Cash paid to purchase long term investments would be reported in the statement of cash flows in</b></p> <p>a. the cash flows from operating activities section  b. the cash flows from financing activities section  <b>c. The cash flows from investing activities section</b>  d. a separate schedule</p> <p>ANS: c</p>																			
<p><b>Outcome 3:</b> Explain partnership accounting</p>	<p><b>Question III. Accounting for the day-to-day activities for a partnership or Limited Liability Corporation is</b></p> <p>a <b>the same as the accounting for any other form of business</b>  b. the same as the accounting for a sole proprietorship only  c. is not the same as the accounting for any other form of business  d. the same as the accounting for a corporation only</p> <p>ANS: a</p>																			

<p><b>Outcome 4:</b> Record no-par value common stock</p>	<p><b>Question IV. The par value per share of common stock represents</b></p> <p>a. the minimum selling price of the stock established by the articles of incorporation.  b. the minimum amount the stockholder will receive when the corporation is liquidated  <b>c. an arbitrary amount established in the articles of incorporation</b>  d. The amount of dividends per share to be received each year</p> <p>ANS: c</p>
<p><b>Outcome 5:</b> List advantages and disadvantages of corporation</p>	<p><b>Question V. One of the main disadvantages of the corporate form is the</b></p> <p>a. professional management  <b>b. double taxation of dividends</b>  c. Charter  d. Corporation must issue stock</p> <p>ANS: b</p>

Figure 1: Assessed Outcomes and Indicators

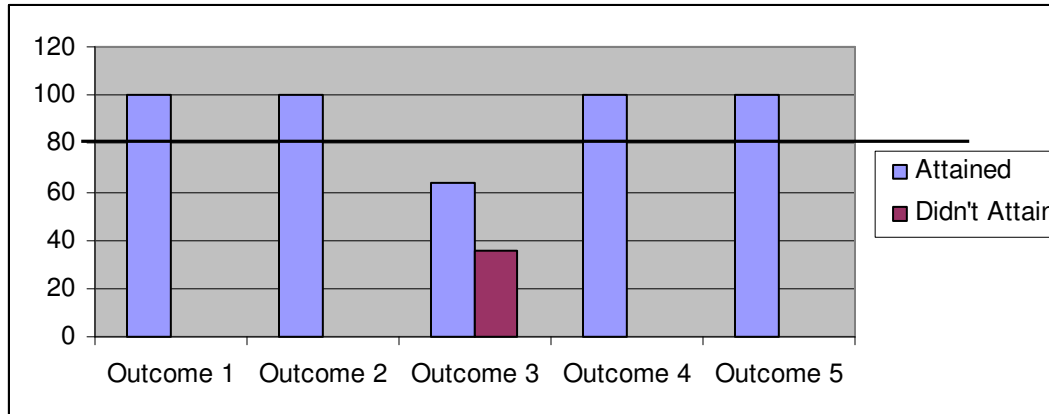
## Results

Based on the existing data, four of the learning outcomes were met at the minimum performance standard (See Table 1). All of the students successfully completed the identified indicator for Learning Outcomes one, two, four and five and Sixty-four percent of the students completed the identified indicator for Learning Outcome three. The unmet learning outcome III will be targeted for further monitoring.

Table 1: Distribution of Performance Standards for Outcomes 1 Through 5

Principles of Accounting II Face-to-Face Section Spring 2007

	Question 1	Question II	Question III	Question IV	Question V
% answered correctly	11/11 = 100%	11/11 = 100%	7/11 = 64%	11/11 = 100%	11/11 = 100%
N = 11					



Principles of Accounting II discusses financial statements in detail (outcomes I and II).

In addition, the subject of corporations is readily grasped by students.

Considering that four of the outcomes were met and given the sample size, no changes will be recommended for the presentation of materials for the four target learning outcomes. Outcome III and additional outcomes will be measured and added to the ongoing assessment of ACC 121. Additional questions will be administered across future sections of the course to measure other outcomes.

### Conclusion and Action Plan

Overall, students satisfactorily met the minimum performance standard established for four of the five target learning outcomes. However, it is important to note that as a pilot

project, this does not establish a trend of success for student achievement. Additionally, the small sample size may be a factor in attainment. Course data will be collected and assessed on a continuous basis for the three year cycle to allow for assessment of more course outcomes incorporating a larger sample. More specific questions will be included in the assessment activities to measure student learning outcomes. At least eight questions focusing on eight outcomes will be used to establish patterns and obtain a broader result.

These results will be discussed with the instructor who taught this course. These results will also be presented to the instructor(s) who will teach this course in the future. These and future assessment results will serve as the basis for determining need for course and course material revisions.

Attachment A: Master Course Record Form Principles of Accounting I (ACC 120)

**Eastern WV Community & Technical College  
Master Course Record**

<b>Course Prefix and Number:</b> ACC 121
<b>Course Title:</b> Principles of Accounting II
<b>Recommended Transcript Title</b> Principles of Accounting II
<b>Date Approved/Revised</b>
<b>Credit Hours:</b> 3 <b>Contact hours per week (Based on 15 week term):</b> <b>Lecture:</b> 3 <b>Lab:</b>
<b>Prerequisite:</b> ACC 120 <b>Corequisite:</b> <b>Pre/Corequisite:</b>
<b>Grading Mode:</b> Letter Grade
<b>Catalog Description:</b> This course is an introduction to principles and procedures in accounting for a corporation and manufacturing-type business. This course incorporates computer accounting technology to provide hands-on learning.
<b>Course Outcomes:</b> <ol style="list-style-type: none"><li>1. Calculate with equal principal installment notes</li><li>2. Calculate book values for common stock</li><li>3. Calculate book values for preferred stock</li><li>4. Calculate price variances</li><li>5. Calculate quantity variances</li><li>6. Calculate with equal payments installment notes</li><li>7. Define organizational costs</li><li>8. Describe stock splits</li><li>9. Divide earnings among partners</li><li>10. Record stock dividend transactions</li><li>11. Record no-par value common stock</li><li>12. Record no-par value, stated common stock</li><li>13. Record cash dividend transactions</li><li>14. Record stock subscriptions sale</li><li>15. Allocate preferred common dividends</li><li>16. List advantages disadvantages of corporation</li><li>17. Record corporate accounts</li><li>18. Explain partnership accounting</li><li>19. prepare corporate income statements</li><li>20. Calculate earnings per share</li></ol>



21. Record treasury stock
22. Calculate installment notes
23. Calculate bond entries
24. Prepare cash flow statement
25. Analyze financial statements
26. Calculate financial formulas
27. Prepare manufacturing statement
28. Calculate overhead application rates
29. Calculate manufacturing costs
30. Calculate equivalent finished units
31. Prepare process cost entries
32. Prepare job order entries
33. Calculate cost allocations
34. Calculate break-even point
35. Prepare master budget
36. Compare capital investments

**Implementation Cycle:** Spring First Year

**Role in College Curriculum:**

**General Education Core**

- **Technical Core** (Business Management)

**Restricted Elective**

- **General Elective**

**Course Fee:** None

**Instructor's Qualifications:** Master's degree with 18 graduate level business credits

**Expanded Course Description:** This course is continuation of ACC 120. The use of accounting data in decision making by the corporations and manufacturing business will be discussed. Topics include an introduction to managerial and cost accounting.

Prepared by: Seyed Mirkhani, Academic Program Director for Business Technologies  
 \_\_\_\_\_ October 30, 2006 \_\_\_\_\_

Signature, Title

Date

Approved by:

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Dean, Academic Services

**Appendix B:  
Summary of Outcomes, Indicators, Performance Standards and Results**

Course Level Assessment Pilot Spring 2007 ACC 121 Principles of Accounting II								
Learning Outcome	Indicator (Questions from final exam Spring 2007)				Percent of Correct Responses	Percent of Incorrect Responses	Performance Standard Met (80%)	
Outcome I:  Analyze financial statements.	<b>Question I. What type of analysis is indicated by the following?</b>				100% (11)	0% (0)	Yes	
	2006	2005	Increase or (Decrease )	% Increase of (Decrease )				
Current Assets	\$380,000	\$500,000	(\$120,000 )	(24%)				
Fixed Assets	\$1,680,000	\$1,500,000	\$180,000	12%				
	a. Vertical analysis <b>b. Horizontal Analysis</b> c. Liquidity Analysis d. Common-size analysis  ANS: b							
Outcome II:  Prepare cash flow statement	<b>Question II. Cash paid to purchase long term investments would be reported in the statement of cash flows in</b>				100% (11)	0% (11)	Yes	
	a. the cash flows from operating activities section b. the cash flows from financing activities section <b>c. The cash flows from investing activities section</b> d. a separate schedule							

	ANS: c			
Outcome III:  Explain partnership accounting	<p><b>Question III. Accounting for the day-to-day activities for a partnership or Limited Liability Corporation is</b></p> <p>a <b>the same as the accounting for any other form of business</b>  b. the same as the accounting for a sole proprietorship only  c. is not the same as the accounting for any other form of business  d. the same as the accounting for a corporation only</p> <p>ANS: a</p>	64% (7)	36% (4)	No
Outcome IV:  Record no-par value common stock	<p><b>Question IV. The par value per share of common stock represents</b></p> <p>a. the minimum selling price of the stock established by the articles of incorporation.  b. the minimum amount the stockholder will receive when the corporation is liquidated  <b>c. an arbitrary amount established in the articles of incorporation</b>  d. The amount of dividends per share to be received each year</p> <p>ANS: c</p>	100% (11)	0% (0)	Yes
Outcome IV:  List advantages and disadvantages of corporation	<p><b>Question V. One of the main disadvantages of the corporate form is the</b></p> <p>a. professional management  <b>b. double taxation of dividends</b>  c. Charter  d. Corporation must issue stock</p> <p>ANS: b</p>	100% (11)	0% (0)	Yes