

# MGMT G163: ACCOUNTING CONCEPTS FOR SMALL BUSINESS

Item	Value
Curriculum Committee Approval Date	03/04/2025
Top Code	050640 - Small Business and Entrepreneurship
Units	1.5 Total Units
Hours	27 Total Hours (Lecture Hours 27)
Total Outside of Class Hours	0
Course Credit Status	Credit: Degree Applicable (D)
Material Fee	No
Basic Skills	Not Basic Skills (N)
Repeatable	No
Open Entry/Open Exit	No
Grading Policy	Standard Letter (S), • Pass/No Pass (B)

## Course Description

This course is identical to ACCT G163. This course teaches small business owners basic accounting functions such as receivables and payables management, bank reconciliations, and financial statement preparation. This course also covers financial statement analysis to assess operational performance, financial condition, and certainty of cash flows. Development of start-up cost estimates and financial projections will also be explored. Enrollment Limitation: ACCT G163; students who complete MGMT G163 may not enroll in or receive credit for ACCT G163. Transfer Credit: CSU.

## Course Level Student Learning Outcome(s)

1. Course Outcomes
2. Prepare a profit and loss statement with accompanying monthly variance analysis.
3. Compute start-up cost projections for a small business in accordance with the business plan.
4. Compare cash flow statement with net income to analyze certainty of customer collections and timing of vendor payments.

## Course Objectives

- 1. Perform basic accounting functions applicable to a start-up enterprise such as managing receivables and payables to maximize cash flow, reconciling bank accounts, and filing and making estimated tax payments.
- 2. Prepare financial statements for internal distribution.
- 3. Perform basic financial analysis to evaluate operational performance, liquidity and solvency, and certainty of future cash flows.
- 4. Compile start-up cost estimates, revenue trends, and financial projections.

## Lecture Content

Receivables Late fees Finance charges Abatement Ratios: A/R turnover, days in receivables Cash disbursements Check writing Positive pay Authorized signers, signature card Payables The banking relationship Maintaining liquidity - sufficient cash flow, line of credit Managing payables - accelerating and deferring payments Ratios: quick (acid test) ratio, current ratio Bank reconciliations The bank statement Reconciling items Stale dated checks, escheats Taxes Quarterly estimated tax payments Enlisting the services of a CPA Sales tax remittance Payroll tax forms California business tax Licenses Financial statements Income statement, profit and loss statement Balance sheet Owner's equity statement Cash flow statement Financial statement analysis Horizontal analysis - prior year, budget Ratios: profit margin, working capital Expenses versus capital expenditures Owner withdrawals, dividends Budgeting Compiling start-up costs Projecting revenues and expenses Preparing a cash budget Small business loans

## Method(s) of Instruction

- Lecture (02)
- DE Live Online Lecture (02S)
- DE Online Lecture (02X)

## Reading Assignments

Textbook Online resources and materials Instructor-created content

## Writing Assignments

Discussion board assignments

## Out-of-class Assignments

Financial statements Budgets Start-up cost projections

## Demonstration of Critical Thinking

Students will be required to devise start-up costs for a small business and identify sources of seed money and initial funding.

## Required Writing, Problem Solving, Skills Demonstration

Students are required to demonstrate the ability to perform fundamental accounting functions for a small business such as a bank reconciliation.

## Eligible Disciplines

Small business development (entrepreneurship): Any bachelor's degree and two years of professional experience, or any associate degree and six years of professional experience. Accounting: Master's degree in accountancy or business administration with accounting concentration OR bachelor's degree in business with accounting emphasis or business administration with accounting emphasis or economics with an accounting emphasis AND master's degree in business, business administration, business education, economics, taxation, or finance OR the equivalent. Master's degree required. (NOTE: A bachelor's degree in accountancy or business administration with accounting concentration, with a CPA license is an alternative qualification for this discipline)

## Textbooks Resources

1. Required William S. Hettinger and John Dolan-Heitlinger. Entrepreneurial Finance, 3.0 ed. FlatWorld, 2024 Rationale: -