

AC1320: Project

PROJECT DESCRIPTION

In order to assess your knowledge of the fundamentals of financial and managerial accounting, two projects have been included in the course. These chapters will give you an opportunity to apply your knowledge and improve your proficiency in performing routine accounting procedures and managerial tasks. The project aims at simulating the main managerial accounting concepts, principles, and procedures covered in the prescribed text and encountered in practice.

Project Part 1 Introduction:

You need to research two corporations using the ITT Tech Virtual Library. Once you have identified the two corporations, you will have to find the financial statements, income statement, balance sheet, and statement of cash flows. You will then identify from the statement of cash flows if the corporation uses the indirect or direct method. You will also identify how much cash was generated from operations, financing, and investing. You should also specify how much free cash flow each corporation has generated. You should then calculate the current ratio, inventory turnover, gross profit percentage days' sales in receivables, and debt ratio. You must choose which corporation you would invest in and why.

Project Part 2 Introduction:

You will be given a set of transactions for a company, based on which you will have to prepare journal entries, open T-accounts, and post the journal entries to the accounts. You will then prepare a trial balance for the end of the month. Using the work-in-process T-account, you will prepare a schedule for cost of goods sold manufactured for the month. You will also prepare an income statement for the month and post any corrections that may be needed for under/over allocated manufacturing overhead.

Course Objectives Tested:

1. Identify characteristics of a corporation, record issuance of stock, and illustrate retained earnings transactions.
2. Prepare and analyze the income statement, balance sheet, and statement of cash flows.

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3. Distinguish between managerial accounting and financial accounting and apply ethical standards to decision making.
4. Differentiate between job order costing and process costing.
5. Perform Cost-Volume-Profit (CVP) analysis and calculate break-even point; describe a Just-In-Time production system and develop activity-based costs (ABC).
6. Examine relevant factors for making short-term special business decisions.

Please refer to the Project Submission Plan for project details.

PROJECT SUBMISSION PLAN

Project Part	Description/Requirements of Project Part
1	<p>Task 1: Statement of Cash Flows</p> <p>Use ITT Tech Virtual Library and research two public companies. Review the statements of cash flows and report on how much cash was generated from operating, investing, and financing activities. Remember to cite the source where you found the required information.</p> <p>Task 2: Calculating Financial Ratios</p> <p>Calculate a set of financial ratios for each of the two public companies you researched. Also, calculate the following set of ratios:</p> <ul style="list-style-type: none">• Current ratio• Inventory turnover• Gross profit percentage• Days' sales in receivables• Debt ratio <p>Task 3: In 50-75 words, explain which corporation you would invest in and why.</p> <p>Submission Requirements:</p>

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Project Part	Description/Requirements of Project Part
	<ul style="list-style-type: none">• Complete Task 2 in an MS Excel worksheet and submit it on Questa to your instructor.• Complete Task 1 and Task 3 in an MS Word document and submit it on Questa to your instructor. <p>Due: Week 3</p> <p>Grading Weight: 12.5%</p>
2	<p>Refer to Project Part 2.xlsx to view the complete project. Then do the following:</p> <ul style="list-style-type: none">• Prepare journal entries for the transactions• Open T-accounts for the general ledger• Post the journal entries to the accounts <p>You will then prepare a trial balance for the end of the month. Using the work-in-process T-account, you will prepare a schedule for cost of goods sold and manufactured for the month.</p> <p>You will then prepare an income statement for the month and post any corrections that may be needed for under/over allocated manufacturing overhead.</p> <p>Submission Requirements:</p> <p>Complete the required tasks in an MS Excel worksheet and submit the worksheet on Questa to your instructor.</p> <p>Due: Week 6</p> <p>Grading Weight: 12.5%</p>

(End of Project Description)