BSBA AY 2015-2016 Assessment

Phase 1: Assessment Plan

Learning Outcome assessed:

BSBA Learning Outcome 5: Accounting

Attain financial literacy in the understanding and interpretation of financial statements of organizations.

Assessment Method:

Selected conceptual and quantitative question on final exam.

Targeted performance, based on rubrics:

80% meet expectations

Evaluation Process:

Students were given a short answer/essay question progress quiz. An independent evaluator selected 10 questions off the quiz to assess the learning outcome.

Rubric:

Traits	Good	Average	Poor
Identify main accounting equation	Know the basic equation, and correctly identify assets, liabilities and Stockholders' Equity	Know the basic equation, with some mistakes in identifying assets, liabilities and Stockholders' Equity	Unable to state the main accounting equation, and/or major flaws in identifying assets, liabilities and Stockholders' Equity
Understand double-entry accounting system	Properly record economic transactions using journal entries and t-accounts	Minor error(s) in preparing journal entries and t-accounts	Major error(s) in using accounts names and debits and credits in journal entries and in t-accounts
Prepare four main financial statements	Correctly identify and prepare Balance Sheet, Income Statement, Statement of Retained Earnings and Statement of Cash Flow. Understand how these statements are interrelated.	Minor mistake(s) or misclassification(s) in preparing Balance Sheet, Income Statement, Statement of Retained Earnings and Statement of Cash Flow. Understanding some, but not all relationships between these statements.	Major mistake(s) and misclassification(s) in preparing Balance Sheet, Income Statement, Statement of Retained Earnings and Statement of Cash Flow. Unable to explain how these statements are inter-related.

Course where learning outcome was assessed:

BUS 201 s1, Principles of Financial Accounting

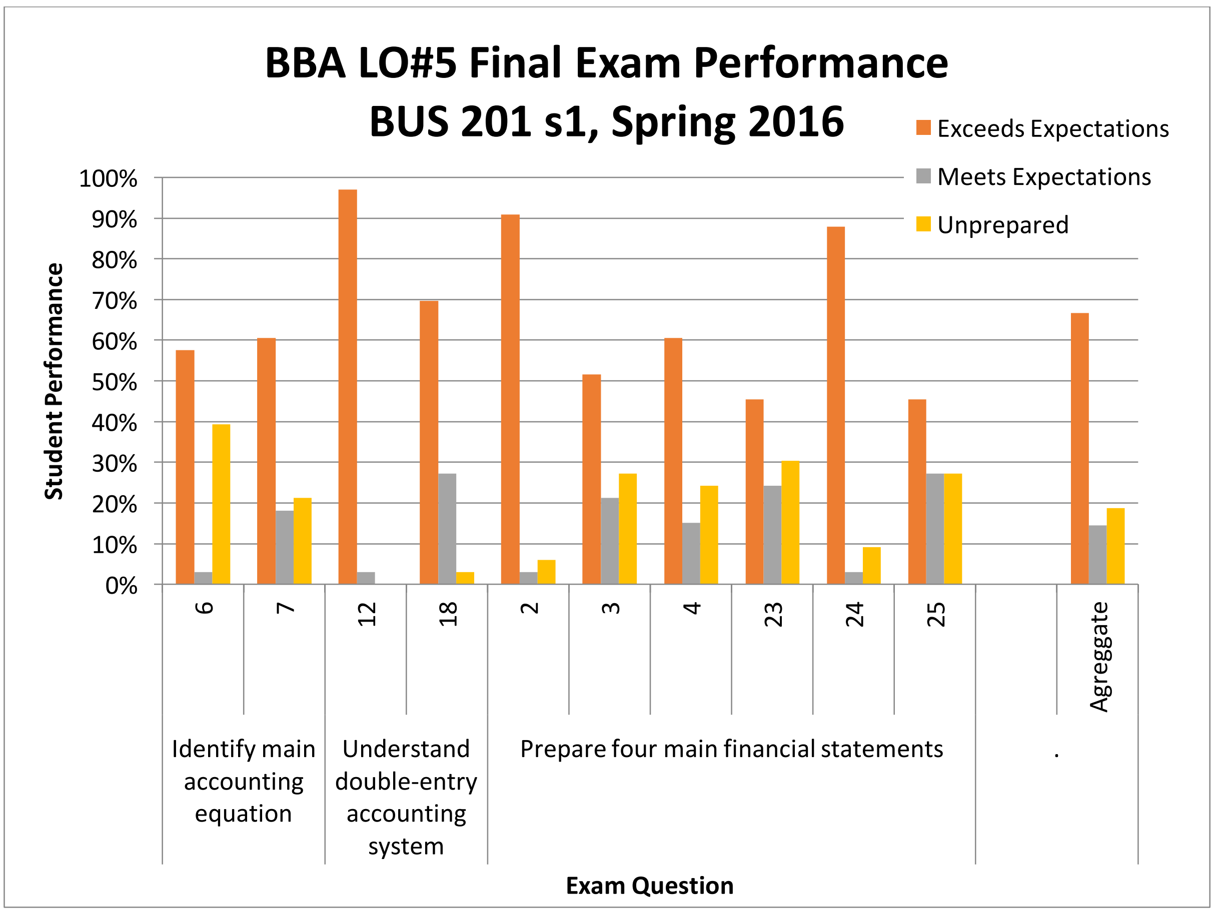
Evaluator(s):

Dr. Tatiana Fedyk

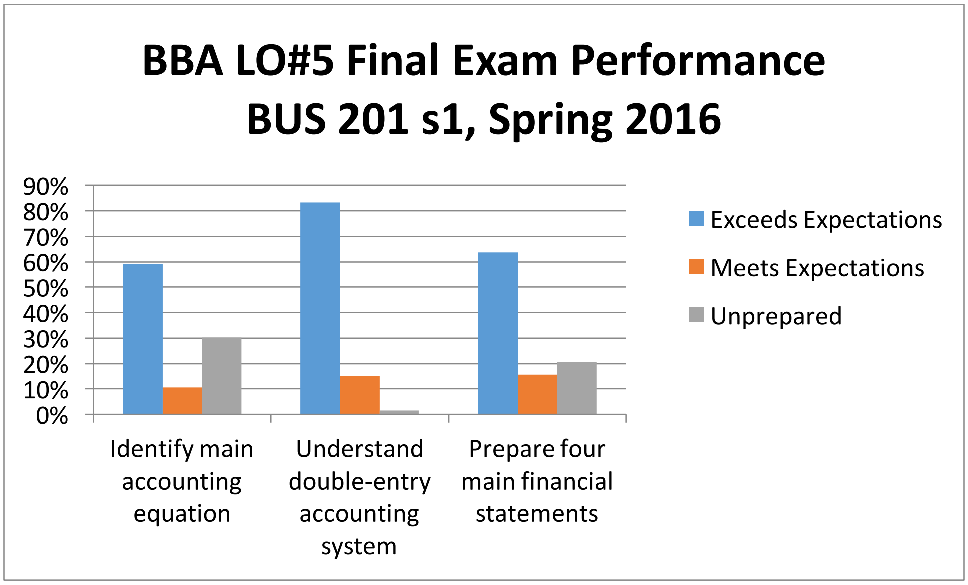
Phase 2: Results Assessment and Planned Action

Results:
EMBA 201 Results

Each question is graded by one of the 3 rubrics.



The following table shows the percentage of responses falling in each of the 3 rubric categories for each rubric.



Responses meeting rubric standard	Exceeds Expectations	Meets Expectations	Unprepared	% Responses Meeting or Exceeding Expectations
Main Account Equation	59%	11%	30%	70%
Double Entry Accounting	83%	15%	2%	98%
Main Financial Statements	64%	16%	21%	79%

Action:

It was determined that further revision of LO5 is needed to make it more clear and focused (i.e., a term “financing literacy” to be replaced with a more specific “accounting concepts and principles” term; also a main focus will be defined as preparing and analyzing financial statements).

The determined weakness of the current assessment: it was not performed in a uniform way in all available sections. For next assessment, use a sufficient set of uniform questions to test LO5 among every student involved in the program.

To further differentiate level of problems that students face, and asses qualitative and quantitate aspects of the subject, it would be beneficial to include both, conceptual and quantitative questions for each rubric.

Data shows us that “Main account equation” needs to be reinforced throughout the course. The accounting department is very involved in creating fresh assessment tools for AY 165/16 and we plan to reassess this outcome in AY 16/17.

Phase 3: Closing the Loop

To be filed the year after the results assessment.

Change Assessment

Discuss how the actions taken in Phase 2 were assessed, and the results of that assessment

Addendum: BUS 201 Final Exam Questions

Use the following Balance Sheet and Income Statement to answer questions #6 through #8:

USF Bookstore					
Balance Sheet					
At December 31, 2015					
Assets			**Liabilities and Stockholders' Equity**		
Cash and equivalents		$5,000	Accounts payable	$10,000	
Accounts Receivable-net		12,000	Taxes payable	4,500	
Inventory		25,000	Other liabilities	2,500	
Prepaid expenses		3,000	Mortgage payable	60,000	
Land		54,000	Total liabilities		77,000
Building (always @ cost)	63,000				
Accumulated depreciation—Building	12k ????	51,000	Common stock	~~30,000~~	
Trucks (always @ cost)	20,000		**Retained earnings**	45k ???	
Accumulated depreciation—Trucks	18,000	2,000	Total stockholders' equity		??? 75k
Total Assets		$152,000	**Total Liabilities & Stockholders' Equity**		???? 152,000

USF Bookstore		
Income Statement		
For the Year Ended December 31, 2015		
Book sales revenue		$100,000
Cost of goods sold		???
Gross profit		35k ???
Operating expenses:		
Selling and administrative expenses	14,000	
Depreciation expense	8,000	
Total Operating expenses		22,000
Income from operations		13,000
Income tax (35%) expense		4,550
Net income		$8,450

6. What is the Accumulated Depreciation for **Buildings** on December 31, 2015?
   a) $51,000
   b) $18,000
   C c) $12,000
   d) $9,000

7. What is **the Retained earnings** shown on the Balance Sheet for 2015?
   a) $30,000
   B b) $45,000
   c) $75,000
   d) $152,000

end of packet

Looking at the attached select annual report pages for Nordstrom's answer #9-#11:

12) The New Yorker Magazine Company sells 10,000 annual subscriptions on account in March 1st. The annual subscription price is $75 each. The subscriptions start the following month, in April.
The New Yorker Magazine Company journal entry on **March 1st** would include a:
A) debit to Cash for $10,000.
B) debit to Subscription Revenue for $10,000
C) credit to Unearned Subscription Revenue for $750,000.
D) credit to Unearned Subscription Revenue for $900,000.

C

Dr. Cash $750,000
Cr. Unearn. Rev. $750,000

18) On January 1, Summertime Corporation issued $2,000,000, 10-year, 8% bonds at 101.
The journal entry to record this transaction would include a:
A) credit to Bonds Payable $2,020,000.
B) debit to Discount on Bonds Payable $20,000.
C) debit to Cash $2,000,000.
D) credit to Premium on Bonds Payable $20,000.

D

Dr. Cash 2,020,000
Cr. B/P 2,000,000
Cr. Prem. on B/P 20,000

2) Net income is computed as:
A) revenues - expenses - dividends.
B) revenues + expenses.
C) revenues - expenses.
D) revenues - expenses + dividends.

C

3) Which financial statement is dated at the moment in time when the accounting period ends (i.e. "snapshot")?
A) Balance sheet
B) Income statement
C) Statement of retained earnings and income statement
D) Statement of cash flows

A

4) The correct data flow from one financial statement to the next is:
A) statement of retained earnings, income statement, balance sheet, statement of cash flows.
B) balance sheet, statement of retained earnings, income statement, statement of cash flows.
C) statement of retained earnings, income statement, statement of cash flows, balance sheet.
D) income statement, statement of retained earnings, balance sheet, statement of cash flows.

D

23) Which of the three types of activities reported on the statement of cash flows is the ***most*** critical for a company's long-term survival?
A) Investing activities
B B) Operating activities
C) Financing activities
D) Noncash investing and financing activities

24) Why is depreciation expense added to net income when reconciling net income to net cash provided by operating activities?
A) Because depreciation expense represents a cash inflow
B) Because depreciation expense is a tax deduction that reduces the payment of taxes
D C) Because depreciation expense is a liability.
D) Because depreciation expense reduces net income but it has no effect on cash, so we add depreciation expense to net income to cancel the deduction

25) Land was purchased by issuing common stock. This transaction would be reported on the statement of cash flows as a(n):
A) operating activity.
B) investing activity.
D C) financing activity.
D) noncash investing and financing activity.