**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:**

Final Exam

**Targeted performance, based on rubrics:**

80% meet expectations

**Evaluation Process:**

Students were given a 10 question short answer/essay question final examination (attached, p4-6). The assessment bins (meets, exceeds, below expectations and novice) are based on the percentage of points the student received out of a possible score of 120.

**Rubric:**

No rubric provided.

**Course where learning outcome was assessed:**

BUS 201 s5-6, Principles of Financial Accounting

**Evaluator(s):**

Jennifer Wells

***Phase 2: Results Assessment and Planned Action***

**Results:**

**BUS 201 Final Exam Results**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Number of students achieving target | Exceeds Expectations | Meets Expectations | Below Expectations | Novice |  | % Students Meeting or Exceeding Expectations |
|  | > 90% | 80% - 90% | 70% - 80% | < 70% |  |
| Final Exam | 5 | 11 | 9 | 11 |  | 44% |
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**Suggested Action:**

* Rewrite Outcome to address “Accounting” and not “Financial” literacy.
* Assess outcome in all sections, not selected sections.
* Assess outcome in 400 level course.
* Create clear rubric for outcome.
* Same questions need to be asked across sections.
* Data are not useful, so outcome will be reassessed 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**

Final Exam Spring 2016

1.Prepare the 2014 Statement of Cash Flows using the indirect method. There were no noncash investing or financing transactions during 2014. During the year there were no sales of plant assets, no payment of notes payable, no retirement of stock and no treasury stock transactions. (15 points)

Explain your findings from the Statement of Cash Flows. How did the company do? This is not a yes or no question. (5 points)

Explain the following accounts: inventory, prepaid expenses, salary payable and accrued liabilities. What are these accounts? What happened to these accounts? Did they increase or decrease? What does that mean? Is this good or bad for the company? (5 points)

2.At December 31, 2014, Eastern corporation had the following stockholders’ equity:

Journalize the following: Issued 10 million shares of common stock for $12 per share, purchased 8 million shares of treasury stock for $104 million, sold 3 million shares of treasury stock (purchased before) for $45 million, declared a $28 million cash dividend, paid the cash dividend. Prepare the stockholders’ equity as of December 31, 2015 (net income was $451 million) (15 points)

3.Gifford Corporation earned $25,000 as of December 31, 2015. On December 14, 2015 they declared the annual cash dividend on its 5% preferred stock (10,000 shares with total par value of $110,000)and a $0.40 per share on its common stock (30,000 shares with a total par value of $45,000). Gifford then paid the dividend on January 4, 2016. Journalize declaring the dividend and paying the dividend. Did retained earnings increase or decrease? By how much? (10 points)

4.Apple issued 9% ten year bonds payable with a face amount of $500,000 when the market interest rate was 9%. Assume the accounting year for Apple ends December 31st and that bonds pay interest on January 1st and July 1st. Journalize the issuance of the bonds payable on July 1, 2015, accrual of interest expense on December 31, 2015 and the payment of interest on January 1, 2016. (5 points)

5.Kendrick Investments issued $750,000 of 8% 4 year bonds payable on March 31, 2014. The market rate on the day of issuance was 12% and Kendrick bonds pay interest monthly. To get the present value from Excel you would: (5 points)

Rate:

Nper:

Payment:

FV:

6.On June 30, 2014 when the market rate is 7%, Costco issues $500,000 of 6% 8 year bonds payable. The bonds pay interest on June 30 and December 31. Using Excel the issue price of the bond is $469,765. Record the issuance of the bond payable on June 30, 2014 and the payment of interest on December 31, 2014. (10 points)

7.A bond with a face amount of $25,000 has a current price quote of 102.75. What is the bond’s price? (5 points)

8.Pottery Barn’s Inc.’s inventory records are as follows:

Beginning inventory 10 @ $150 = $1500

1/15 purchase 4 @ $145 = $580

1/26 purchase 9 @ $141 = $1269

Pottery Barn sold 15 units during the month of January.

Compute cost of goods sold and ending inventory for each of the following: (10 points)

1. Average cost
2. FIFO
3. LIFO
4. Specific unit cost records show that 8 $150, 3 $145 and 4 $141 were sold during January

9.Nordstrom purchased inventory costing $425,000 and sold 80% of the goods for $810,000. All purchases and sales were on account. Nordstrom later collected 38% of the accounts receivable. Journalize the transactions. How much inventory would Nordstrom report on the balance sheet at the end of the month? (5 points)

10.Service revenue was $42,850 of which 8% is cash and the remainder on account. Collections from customers on account were $37,875. Uncollectible account expense was 2.5% of service revenue on account. Write-offs of uncollectibles accounts receivable were $375. On July 1, received a 5 month, 6%, $4,870 note receivable from a client in exchange for the customer’s past due account. July 31, 2016, monthly bank statement reported $210 of NSF checks from customers. Journalize each transaction including the accrual of one month of interest on the note. (10 points)

11. Purchased 800 common shares as an investment in trading securities paying $15/share. Received cash dividend of $0.72/share on the trading securities. Adjusted the trading securities to fair value of $18/share. Journalize the purchase, receipt of the dividend and adjustment. (5 points)

12. Prepare the adjusting entries (3 points each unless noted)

Employees’ salaries owed for two days of a five day work week. Weekly payroll is $37,500.

Depreciation on the equipment $7,800

Interest expense of $3,700 that it must pay the next month

Prepaid insurance expense beginning $500. Payments for insurance during the year $6,000. Prepaid insurance ending $1200.

Unearned service revenue beginning $12,900. Unearned service revenue, ending $4,000.