

Lassen Community College Course Outline

AGR-1 Agricultural Accounting

3.0 Units

I. Catalog Description

The study of the principles of agricultural accounting systems and types of records, their use and how to compute and use measures of earnings and cost of production to improve agribusiness efficiency. Also included are farm income tax, Social Security, and employee payroll records. Application of these concepts and methods through hands-on projects developing computer-based solutions for agriculture business. This course has been approved for hybrid delivery.

Recommended Preparation: Successful completion of ENGL-105 or equivalent multiple measures placement.

Transfers to CSU only

C-ID AG-AB 128

34 Hours Lecture, 51 Hours Lab

Scheduled: Fall (even)

II. Coding Information

Repeatability: Not Repeatable, Take 1 Time

Grading Option: Graded or Pass/No Pass

Credit Type: Credit - Degree Applicable

TOP Code: 011200

III. Course Objectives

A. Course Student Learning Outcomes

Upon completion of this course the student will be able to:

1. Demonstrate basic principles of accrual accounting.
2. Differentiate between cash and accrual accounting

B. Course Objectives

Upon completion of this course the student will be able to:

1. Define the value of agricultural records.
2. Define common agricultural bookkeeping terms.
3. Select a record keeping system.
4. Design and explain set of agricultural accounts.
5. Demonstrate the principles of accrual accounting by opening, analyzing and entering transactions, and closing a set of double-entry accounting records.
6. Create a balance sheet.
7. Summarize an agricultural accounting system using the worksheet.
8. Calculate measures of earnings applicable to agricultural records and construct an income statement.
9. Determine efficiencies of an agricultural business through the use of accounts and determine the cost per unit of production.
10. Contrast the basic methods of depreciation and calculate yearly depreciation.
11. Construct inventory analysis procedures.
12. Utilize computer spreadsheet templates for common accounting analysis.
13. Determine the payroll for employees given the major deductions.

14. Explain Social Security records and requirements.
15. Explain the basis for agricultural income tax computing.
16. Compute the income tax for an agricultural enterprise.

IV. Course Content

- A. Importance of Record Keeping
 1. Record keeping objectives
 2. Components of agricultural records and accounting systems
 3. Accounting periods
- B. Principles of Accounting
 1. Single-entry accounting
 2. Double-entry accounting
 3. Accrual vs. cash basis of accounting
- C. Kinds of Agricultural Accounts and Record Keeping Systems
 1. Single entry systems
 2. Double entry systems
 3. Enterprise accounting
 4. Computerized accounting
 5. Employee records
 6. Production records
 7. Social Security records
 8. Depreciation and inventory records
 9. Budgets and cash flow records
 10. Various accounting systems available
 - a. University of California Record Book
 - b. Ideal System Account Book
 - c. New Holland One-Book System
- D. Types of Entries and Their Uses
 1. Diary
 2. Inventory
 3. Receipts
 4. Expenses
 5. Accounts payable
 6. Accounts receivable
 7. Balance sheets (net worth or financial statement)
 8. Profit/loss statement
 9. Others
- E. Accounting Cycle
 1. Beginning balance sheet (net worth statement)
 2. Opening entries
 3. Recording transactions
 - a. Journal entries
 - b. General ledger posting
 - c. Trial balances
 - d. Correcting entries
 - e. Adjusting entries
 - f. Adjusted trial balance
 - g. Closing entries
 - h. Post-closing trial balance

- i. Ending balance sheet
 - j. Profit and loss statement
 - k. Worksheet
- F. Income Statements
 - 1. Different forms
 - 2. Profit/loss ratios
- G. Asset Valuation and Depreciation
 - 1. Depreciable asset definitions
 - 2. Depreciation methods
 - 3. Depreciation calculation
 - 4. Book vs. market valuation
 - 5. Depreciable asset disposal and capital gains
 - 6. Inventory valuation and control
- H. Liabilities and Debt
 - 1. Calculating simple interest loans
 - 2. Transactions involving loans and loan payments
 - a. Determining current principle loan balances
 - b. Determining interest payable
 - 3. Loan applications
 - 4. Cash flow budgets
- I. Financial and Management Measures
 - 1. Balance sheet
 - 2. Income analyses
 - 3. Capital income
 - 4. Ratio analyses
 - 5. Cost per unit of production
 - 6. Percent return on investment
- J. Computerized records and analysis
 - 1. Computer spreadsheet programming
 - 2. Records and analysis templates using computer spreadsheet programs
- K. Payroll Accounting
 - 1. Allowable deductions
 - 2. Reporting requirements
- L. Social Security
 - 1. Deductions
 - 2. Separate accounts and deposits
 - 3. Reporting procedures
- M. Income Tax (Federal)
 - 1. Cash or accrual basis
 - 2. Proper entries
 - 3. Allowable deductions
 - 4. Depreciation requirements
 - 5. Capital gains tax

V. Assignments

A. Appropriate Readings

- 1. Workbook on record keeping procedures.
- 2. Brochures on specific management functions.
- 3. Application and report forms common to agriculture.

B. Writing Assignments

1. Exercises in the record keeping workbook largely composed of math problems; completion of standard forms common to agri-business.
2. Brief written evaluations of financial situations.

C. Expected Outside Assignments

1. Depreciation.
2. Financial statements.
3. Determining net farm income.
4. Inventory segregation.
5. Profits in relation to labor, management, and capital income.
6. Cost of production.
7. Tax calculations - local assessor.
8. Developing a complete farm record system relating the above factors.

D. Specific Assignments that Demonstrate Critical Thinking

1. Develop logical sequences for problem solving.
2. Categorize data to give results consistent to the goal.
3. Use data developed and collected to make management decisions consistent to pre-established goals.

VI. Methods of Evaluation

Traditional Classroom Evaluation

Comprehensive Quizzes and Exams, Written Critical Thinking Scenarios, Problem Analysis and Solution, Research and Term Papers

Hybrid Evaluation

All quizzes and exams will be administered during the in-person class time. Students will be expected to complete online assignments and activities equivalent to in class assignments and activities for the online portion of the course. Electronic communication, both synchronous and asynchronous (chat/forum) will be evaluated for participation and to maintain effective communication between instructor and students

VII. Methods of Delivery

Check those delivery methods for which, this course has been separately approved by the Curriculum/Academic Standards Committee.

Traditional Classroom Delivery Correspondence Delivery

Hybrid Delivery Online Delivery

Traditional Classroom Delivery

Primary methods include lecture, discussion, and worksheet exercises as well as other appropriate methods to be determined by the instructor.

Hybrid Delivery

A combination of traditional classroom and online instruction will be utilized. Every semester, a minimum of 17 hours of class will be taught face-to-face by the instructor and the remaining hours will be instructed online through the technology platform adopted by the District. Traditional classroom instruction will consist of lectures, visual aids, discussions and group activities. Online delivery consists of instructor-generated

information, readings, news communications, web links and activities as well as facilitation of forum based discussions and communications.

VIII. Representative Texts and Supplies

Bragg, Steven, *'Agriculture Accounting'*, 2nd edition, 2019, ISBN-9781642210293

IX. Discipline/s Assignment

Agricultural Business/Services, Accounting, Business

X. Course Status

Current Status: Active

Original Approval Date: 02/27/1990

Revised By: Brian Wolf

Curriculum/Academic Standards Committee Revision Date: 11/03/2020

Revised for IPR, no change: 03/15/2022