After the completion of this course, the student will be able to do the following:

1. Define a corporation and describe its formation.
2. List the advantages and disadvantages of a corporation.
3. Journalize entries for the issuance of stock.
5. Journalize transactions involving the issuance of bonds.
6. Define a partnership and list the main advantages and disadvantages of this type of organization.
7. Provide for the division of net income and loss on the basis of fractional shares, ratio of capital investment, and salary and interest allowances.
8. Journalize the closing entries for a partnership.
9. Journalize entries pertaining to the sale of a partnership interest or a complete liquidation of the partnership.
10. State the purpose of the statement of cash flows.
11. Identify cash inflows and outflows as operating, investing, or financing.
12. Prepare the statement of cash flows using the direct method.
13. Analyze a company using vertical analysis, horizontal analysis, trend analysis, and ratios.
14. Calculate equity per share, rate of return on common stockholders’ equity, earnings per share on common stock, and price earnings ratio.
15. Define cost accounting terms, including direct materials, direct labor, and factory overhead.
17. Define a job-order cost accounting system and journalize related transactions in the general journal.
18. Define a process cost accounting system and journalize related transactions in the general journal.