

Week 1 – Summary

Response #1

One of this week's topics that was interesting was on cash control. I learned that it is one of the most important functions in a company and having effective cash control will only benefit the company. There are many different methods to obtain effective cash flow, such as bank reconciliation and petty cash for small items. The person reconciling the bank statements should not be the one that has control over the cash because there is no one to double check and make sure that fraud is not taking place. This can be difficult when working in a smaller company, as there may not be very many employees to delegate different tasks to. Even in small company's there should always be more than one person who knows how the cash is being spent. Even if there is not fraud happening, there is human error. What one person misses, another could spot. This could save the company time and money in the long run.

Response #2

This week I learned about cash. It is the standard medium of exchange and the basis for measuring and accounting for all other items. There are different ways to report cash, restricted cash, bank overdrafts, and cash equivalents. Restricted cash is petty cash, and payroll. Bank overdrafts happen when someone writes a check for more than what is in his or her bank account. I have learned about cash receivables. I have also learned about LIFO, FIFO, direct write off method, and allowance method. The FIFO is good if you want your company to have the highest net income while the LIFO is good with tax purposes. Direct write off method requires companies use the allowance method when preparing a financial statement. The use of allowance method is not permitted but in the US because IRS does not want companies to anticipate credit losses.

Response #3

Overall this was a very difficult week but also very rewarding as we are in the process of selling this home, relocating to Dallas TX, and starting this new class. I am looking forward to finish this class strong and learn as much as possible.

Responding to the discussion questions and preparing for the disclosure paper was a very effective way of learning the topics related to this week's objectives. Specially for me, I do tend to forget things if I do not practice or read several times. As I was reading chapter seven and eight, I was able to learn important things about cash, cash equivalents, receivables, and inventories. In addition, the discussion questions and participation helped me learn more about inventory costing methods and how the same affects income.

Response #4

This week was full of great information that continues to build on what we have learned in the past few classes. I thought the discussion questions were good with us having to know enough about a certain method to be able to state which was better than the other. I learned a lot of cash control and the conversations with my class mates on the subject was interesting. I have not dealt with any type of cash or cash accounts in ten years since working in technology, so it was great to hear some perspective on cash and current controls. I was dreading the assignment dealing with the financial statement since I had not written a paper in a few weeks, but actually having to look through a real financial statement and analyze the sections and notes was a great exercise. I feel I learned a lot from having to write about what the financial reports were stating. Overall, a great week!

The best part was been able to participate in the discussion and learn different learning approaches to make the best of my readings. Learning with a team makes things easier and allows us to master team working skills.