

Difference Questions: CSUN LDC “Top Ten” Topics (Summary)

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I. Financial Accounting

Define the three basic financial statements; Identify their usefulness and relevance; Know basic concepts underlying financial reporting (e.g., consistency, verifiability, etc.); Know how to record and read a basic business transaction; Compute cash flow and GAAP income correctly; Know how Assets, Liabilities, Owners Equity, and income are measured and evaluated; Compute Time Value of Money; Understand the timing of revenue and expense Recognition; Define and compute liquidity, solvency, and profitability ratios; Differentiate between different types of business ownership; Define and calculate depreciation and amortization.

II. Management Accounting

Explain the differences between financial accounting and managerial accounting; Understand the various meanings of the term “cost” (e.g., product cost, period cost, fixed cost, variable cost, direct cost, etc.); Be able to accumulate costs for a variety of “cost objects” such as by product, service, activity, program, organizational unit, time period, etc.; Compute breakeven point in units and dollars for a single product, and know the related concepts; Prepare a Master Budget and a simple set of Operating Budgets for sales, inventory, expenses, cash, etc.; Distinguish a capital expenditure from a recurring expense and use Present Value analysis; Understand different costs for different purposes, such as product costing, inventory valuation, short-term decisions... and make-or-buy decisions; How to use cost data in decision-making and how to determine what is and isn't relevant.

III. Business Statistics

Calculate and interpret summary measures including mean, median, variance and standard deviation, and summarize data using appropriate graphical and numerical methods; Perform a one-population test of hypotheses, and make the correct decision and interpretation; Calculate a confidence interval for mean and proportion, and interpret the results; Calculate a regression equation, make a proper interpretation of coefficients, and graph it; Understand the concept of expected value and know how to calculate it; Decide what distribution (e.g., binominal, normal, student-t, etc.) to use given the situation; Understand what a p-value is; Understand how variation creates uncertainty; Understand the distinction between a sample and a population; Understand what types of statistical analyses are appropriate for use on quantitative (numeric) data as compared to the types of analyses that are appropriate for use on qualitative (categorical) data.

IV. Microeconomics

Explain the concept of opportunity cost and explain why accounting profits and economic profits are not the same; Explain the principle of comparative advantage and how it leads to specialization and gains from trade; Understand how various factors shift supply or demand, and understand the consequences for equilibrium price and quantity; Show how prices affect the allocation of resources and coordinate a decentralized market economy; Discuss factors that determine demand and supply elasticity, and explain how demand and supply elasticity affect tax policy and consequences of business decisions; Be able to explain and calculate average and marginal cost to make production decisions; Contrast market outcomes under monopoly and competition; Apply principles of consumer/producer surplus to explain efficient levels of production and sales in a market; Explain externalities and public goods and how they affect efficiency of market outcomes; Explain why exchange rates indicate the price of international currencies and how exchange rates are determined by supply and demand currencies in a international markets.

V. Macroeconomics

Define and calculate GDP, understand the difference between real and nominal variables, and know how to construct a price index; Explain the role of capital investment, education, and technology in determining economic growth; Explain the importance of institutions, including private property rights, in long-run economic growth; Explain that interest rates are determined in a market for loanable funds; Explain what factors determine the level of unemployment; Explain how the Federal Reserve and the banking system create the supply of money, and explain the factors that affect the demand for money; know the equation of exchange and the connection between money and inflation; Explain how slow price adjustments might affect the short-run response of the economy to economic shocks; Explain the strategy behind government policies to stabilize the economy and the specific role of the Federal Reserve; Explain why a merchandise trade deficit is offset by capital flows and investment in debtor countries.

VI. Business Law

Understand the roles of offer and acceptance in the formation of a contract; Understand the differences between 1), intentional tort liability, 2), negligence liability, and 3), strict liability; Understand arbitration and the significance of agreeing to submit a dispute to arbitration; Understand product liability law; Understand the duty to mitigate damages; Recognize misrepresentation and fraud as defenses to contract enforcement; Understand the implications of statute of limitations; Identify and understand the differences between civil and criminal liability; Understand the differences between compensatory and punitive damages; Understand the situations in which it is necessary for a contract to be in writing to be enforceable.

Other

You have concepts, theories, and frameworks from both Strategy and Ethics. You have concepts, theories, and frameworks from Business Communication, Business Computing (Spreadsheets), and Business Mathematics. And finally, you have concepts, theories, and frameworks that you are exploring and learning in your Upper-Division Core courses: Principles of Management, Principles of Finance, Principles of Operations, and Principles of Marketing.