

## Lower Division Core (LDC) Concepts (“Top Ten Topics”)

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[ updated: Thursday, January 15, 2009 ]

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**Course:** BUS 302

**Title:** *The Gateway Experience* (3 units)

“There is no such thing as change. There are only transitions.”

---*Parmenides of Elea* (c. 500 B.C.)

The purpose of this document is to place all of the “Top Ten Topics” (that is, the foundational material) of the Lower Division Core (LDC) concepts in a single document for use by students (especially in class). Recall that the faculty in each of the College of Business and Economics academic disciplines have articulated the “top ten” concepts that are key to success as a business professional. Recall also that each student must demonstrate mastery of the LDC “top ten” concepts via a closed notes, closed people, objective (multiple-choice) exam.

Six of the following eight pages are allocated to one of the six major LDC Exams:

LDC – Statistics

LDC – Business Law

LDC – Microeconomics

LDC – Macroeconomics

LDC – Financial Accounting

LDC – Management Accounting

Although not specifically tested for on the LDC Exams, the BUS 105 (“Business Communication”) and COMP 100 (“Introduction to Computers”) courses are important and relevant to the mastery of Bus302 and subsequent courses. For BUS 105, I derived the “top ten” concepts from the course description listed in the catalog. For COMP 100, I derived the “top ten” concepts from the syllabi of the lead instructor of the course. Two of the following eight pages are allocated to one of the LDC classes listed below:

LDC – Business Communication

LDC – Introduction to Computers

**LDC - Statistics:**

1. Calculate and interpret standard deviation, variance, mean, median, and mode. Summarize the data using appropriate graphical (includes histograms, bar charts, box plots) and numerical (includes standard deviation, variance, mean, median, and mode) methods.
2. Perform a one-population test of hypotheses, and make the correct decision and interpretation.
3. Calculate a confidence interval for mean and proportion, and interpret results.
4. Calculate a regression equation, make proper interpretation of coefficients, and graph it.
5. Understand the concept of expected value and know how to calculate it.
6. Decide what distribution (binomial, normal, t) to use given the situation.
7. Understand what a  $p$  value is.
8. Understand how variation creates uncertainty.
9. Understand the distinction between the population and sample.
10. Understand what types of statistical analyses are appropriate for use on qualitative data (as compared to the types of analyses that are appropriate for use on quantitative data).

**LDC – Business Law:**

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

**LDC - Microeconomics:**

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

**LDC – Macroeconomics:**

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

**LDC – Financial Accounting (11 topics):**

1. Define and articulate the three basic financial statements.
2. Identify the usefulness and relevance of the three basic financial statements.
3. Know the basic concepts underlying financial reporting (e.g., consistency, verifiability, ...)
4. Know how to record and read a simple business transaction relative the basic accounting question.
5. Compute cash flow and GAAP income on a set of transactions.
6. Know the different measurement concepts or valuation basis for Assets, Liabilities, Owners Equity and Income.
7. Compute the time value of money.
8. Understand the timing of revenue and expense recognition.
9. Define and compute liquidity, solvency, and profitability ratios.
10. Differentiate between the various forms of business ownership.
11. Define and calculate depreciation and amortization.

**LDC – Management Accounting (8 topics):**

1. Identify and be able to provide an explanation of the key differences between financial accounting and management accounting.
2. Define and understand the various meanings of the term cost. Be able to correctly classify cost into major categories such as product cost, period cost, fixed cost, variable cost, direct cost, indirect cost, opportunity cost, etc.
3. Be able to accumulate costs for a variety of “cost objects” such as product, service, activity, program, or organizational unit, time period, etc. Explain overhead allocations using single plant wide rates, departmental rates, and activity cost pool rates. Calculate and know how to dispose of over and under absorbed (applied) overhead.
4. Compute breakeven point in units and in dollars for a single product. Know the related concepts of cost variability, contribution margin, (both in unit and as a ratio), and a safety margin.
5. Know how to prepare a master budget and a simple set of operation budgets for sales, inventory, expenses, cash collections, and cash payments.
6. Know how to distinguish a capital expenditure from a recurring expense and how to analyze the desirability of a capital expenditure using present value analysis.
7. Understand, apply, and explain the concept of different costs for different purposes, such as product costing and inventory valuation, income measurement, short-term decisions, cost control, and long-term decisions such as make or buy or discontinue products.
8. Know how to use cost data in decision-making, including what is relevant and what is not.

## **LDC – Business Communication:**

### **BUS 105. BUSINESS COMMUNICATION (3)**

Presentation of concepts and techniques for developing oral and written communications skills adapted to business situations across the functional areas. Emphasizes methods for listening, reading and comprehending; paraphrasing/summarizing information, distinguishing between facts, assumptions, and opinions; responding appropriately in a clear concise fashion; synthesizing from different sources, organizing information to support conclusions, using an appropriate format and business writing style while applying conventions of standard English; and documenting sources to avoid plagiarism. Use of frequent writing assignments designed to improve writing and editing skills.

**(recall that these comments are the instructor's perspective *only*)**

1. Demonstrate proficiency in the spelling and grammar of the English language and common English errors in business writing.
2. Demonstrate proficiency with regards to the bibliographic formats for the formal citation of sources, including Internet sources.
3. Understand the purpose of a topic sentence and the role of logic and prose in sentence structure.
4. Demonstrate proficiency in speaking and writing clearly, especially within the context of a complex organizational situation.
5. Understand the unique characteristics of the writing mechanism, for example email messages, and the ramifications of which for successful management writing.
6. Understand the theory and practice of active listening.
7. Distinguish between the principles of syntax and the principles of semantics in business communication.
8. Understand the cross-cultural challenges and opportunities of business writing.
9. Understand the functions of expository and persuasive oral presentation.
10. Distinguish between the principles of syntax and the principles of semantics in business communication.



## **LDC – Introduction to Computers:**

### **COMP 100. COMPUTERS: THEIR IMPACT AND USE (3)**

[This course is an] introduction to the uses, concepts, techniques, and terminology of computing. [This course] places the possibilities and problems of computer use in historical, economic, and social contexts. [This course] shows how computers can assist in a wide range of personal, commercial, and organizational activities. [The] typical computer applications [in this course] include word processing, spreadsheets, and databases.

**(derived from Prof. Lucy Parker’s “traditional” syllabus for Spring, 2006)**

**See: <http://www.csun.edu/~lparker/syllabus06.doc>**

- 1.** Demonstrate knowledge and understanding of basic computer concepts such as computer hardware, software, architecture, networks, ethics, security, and the Internet..
- 2.** Demonstrate file management techniques in the MS Windows environment.
- 3.** Demonstrate skills related to email use.
- 4.** Demonstrate skills involved in web-based research.
- 5.** Demonstrate working knowledge of word processing with MS Word.
- 6.** Demonstrate working knowledge of spreadsheets with MS Excel.
- 7.** Demonstrate working knowledge of database management with MS Access.
- 8.** Prepare a presentation with MS PowerPoint.
- 9.** Identify and apply behaviors leading to individual well being and development.
- 10.** Identify and apply behaviors leading to individual well being and development.
- 11.** Describe the roles of science and technology; apply them in daily life situations at the individual and/or community levels.