Course Outline

2026-2027 Catalog

AB 50 - Agricultural Accounting

Catalog Description

Transfer Status: CSU

Unit(s): 3.00

Lecture: 51.00 Contact hours/102.00 Out of class hours/153.00 Total hours/3.00 Unit(s)

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Course Description: This course is a 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. Farm income tax, Social Security, and employee payroll records also included. Application of these concepts and methods through hands-on projects developing computer-based solutions for agriculture business. (C-ID AG-AB 128).

Objectives

Upon successful completion of this course, the student should be able to:

1. Define the uses of agricultural records.
2. Explain the accounting cycle.
3. Define common agricultural accounting terms.
4. Differentiate between cash and accrual accounting systems.
5. Design a chart of accounts for an agricultural business. Demonstrate the principles of accrual accounting by opening, entering transactions, and closing a set of accounting records.
6. Create a balance sheet and income statement.
7. Calculate and analyze ratios of solvency and liquidity for an agricultural business.
8. Properly value asset and liability accounts.

Course Content

Topic Titles / Suggested Time Topic

Lecture

Topics	Lec Hrs
Importance of Record-keeping	7.50
Principles of Accounting a. Single-entry accounting b. Double-entry accounting c. Accrual vs. cash basis of accounting d. The accounting equation	7.50
Accounting Cycle	7.50
Financial Statements a. Balance sheet b. Work sheet c. Income statement d. Analysis of financial statements	7.50
Asset Valuation and Depreciation	7.00
Liabilities and Equity a. Calculating simple interest loans b. Transactions involving loans and loan payments c. Determining current principle loan balances d. Determining interest payable e. Determining net worth	7.00
Practical Exercises a. Developing financial statements b. Using computer applications as a tool for financial analysis	7.00
Total Hours:	**51.00**

Methods of Instruction

A. Class Activities
B. Homework: Students are required to complete two hours of outside-of-class homework for each hour of lecture

C. Instructor Demonstrations
D. Lecture
E. Problem-Solving Sessions

Methods of Evaluation

A. Quizzes
B. Research Projects
C. Homework
D. Written Assignments
E. Mid-term and final examinations

Examples of Assignments

Reading Assignments

1. Read the section of your text that covers the uses of agricultural records. Be prepared to differentiate between financial and production records.
2. Read the balance sheet provided by your instructor. Analyze the cash flow and solvency. Write up your analysis and be prepared to discuss in class.

Writing Assignments

1. Write a 1-page chart of accounts for a typical agricultural business. Identify the probable assets, liabilities, income, and expense categories.
2. Write a 2-page crop budget for an annual crop. Include all variable and fixed costs, concluding with break-even price.

Out-of-Class Assignments

1. After entering a set of transactions, "close the books", and create a trial balance. The trial balance must consist of equal debits and credits. Be prepared to discuss in class.
2. Using the Farmers Tax Guide (online), contrast the methods of depreciation. Calculate the annual depreciation of an $80,000 working asset. Be prepared to discuss in class.

Recommended Materials of Instruction

Bragg, S. M. (2025). Agricultural Accounting. *AccountingTools, Inc, 4th.* 9781642213379.

Zero Cost Textbook
Franklin, M., et al. (2024). Principles of Accounting, Volume 1: Financial Accounting. OpenStax. (OER)
https://openstax.org/details/books/principles-financial-accounting

Minimum Qualifications

Ag Business And Related Serv.
Agriculture (Masters Required)

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