

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY
SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

COURSE TITLE: ACCOUNTING PRINCIPLES II

CODE NO.: ACC221 SEMESTER: THREE

PROGRAM: ACCOUNTING

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PREVIOUS OUTLINE
DATED: _____

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APPROVED: *Rose M. Lavoie*
DEAN, SCHOOL OF BUSINESS &
HOSPITALITY

94/08/01
DATE

ACCOUNTING PRINCIPLES II

ACC221

COURSE NAME

COURSE CODE

Prerequisite: Accounting Principles I (ACC108)

Text: Intermediate Accounting, 1st Canadian Edition
Chasteen, Flaherty, O'Connor, Anderson

I. **PHILOSOPHY/GOALS:**

This course will review and expand on the topics covered in previous accounting courses. A better understanding of financial statements will be the purpose of the theory for this course. The practical component of this subject will involve hands on lab work with automated accounting software with emphasis on preparing the student to become familiar with products most widely used in the workplace.

I. **STUDENT PERFORMANCE OBJECTIVES:**

Upon successful completion of this course, the student will:

1. Illustrate an understanding of the accounting environment in Canada, historical development, generally accepted principles, usefulness and roles in modern business.
2. Demonstrate the accounting process at an intermediate level with emphasis on proper financial reporting to end users.
3. Display a greater understanding of the main financial statements and related issues of importance to maintain public confidence in the accounting product.
4. Identify issues of importance in controlling cash and receivables and be able to problem solve situations involving these components.
5. Be proficient in the use of the Simply Accounting Software package including the stages of set up; daily operations; and period end closing.

III. TOPICS TO BE COVERED:

1. Introduction and historical development of financial accounting and reporting.
2. Generally accepted accounting principles and the elements of financial statements.
3. An advanced and expanded review of the accounting process.
4. The Income Statement and Statement of Retained Earnings.
5. The Balance Sheet and Statement of Cash Flows.
6. A detailed look at Cash and Receivable topics.
7. Hands on lab work using Simply Accounting for DOS.

V. COURSE OBJECTIVES:

UNIT 1 - Chapters 1-4
Introduction to Simply Accounting

The student will demonstrate proficiency in the following topics areas:

Chapters 1-3 - Review of Basic Accounting Procedures

- a) the history of accounting theory
- b) principles and concepts upon which accounting theory is based:
 - i) Accounting Entity Assumption
 - ii) Continuity Assumption
 - iii) Monetary Unit Assumption
 - iv) Limitations of Statement Information
 - v) Roles and Objectives of Financial Reporting
 - vi) Relevance vs Reliability
 - vii) Conservatism
 - viii) Other Considerations and Constraints
 - ix) Benefits vs Cost
 - x) Materiality
 - xi) Recognition Principle
 - xii) Matching Principle
 - xiii) Full Disclosure

- c) Information systems and the recording function
- d) The matching process and various approaches to adjustments
- e) Closing procedures and reversing entries

Chapter 4 - Income Statement, Retained Earnings

- a) Timing of income recognition
- b) Recognition of gains and losses
- c) The multiple step and single step income statements
- d) The treatment of non-operating income and expenses and unusual items
- e) Earnings per share
- f) Correction of errors
- g) Changes in accounting principle
- h) Prior period adjustments
- i) Combined statement of income and retained earnings
- j) Disclosure and notes to financial statements

Simply Accounting - Introduction to System

- a) Setting up and using the basic system
 - i) Starting Simply Accounting
 - ii) Computer generated accounts
 - iii) Using date; start, conversion, finish dates
 - iv) Add, modify and delete accounts - rules, ranges, and account types
 - v) Print, display, chart of accounts
 - vi) Saving, finishing, and backups
 - vii) Setting up integration accounts
 - viii) Changing and removing integration accounts
 - ix) Entering or changing historical information
 - x) Checking data integrity
 - xi) Print, display trial balance
 - xii) Setting general ledger to ready
 - xiii) Preparing and posting journal entries
 - xiv) Print, display general journal and ledger

- b) Working with other system modules
 - i) Receivables
 - ii) Payables

TEST #1
LAB ASSIGNMENT #1

UNIT 2 - Chapters 5 and 8
Working with Simply Accounting

The student will demonstrate proficiency in the following topic areas:

Chapter 5 - Balance Sheet and Statement of Cash Flows

- a) current and non-current assets
- b) current and long term liabilities
- c) owners' equity
- d) statement of cash flows

Chapter 8 - Cash and Receivables

- a) control of cash
- b) petty cash funds
- c) bank reconciliations
- d) determining receivable balances
- e) estimating uncollectible accounts
- f) valuation of notes receivable
- g) discounting notes receivable
- h) financing with receivables
- i) balance sheet presentation of receivables

Simply Accounting - Using the System and Period End Procedures

- a) Working with other system modules
 - i) payroll
 - ii) inventory
 - iii) projects

- b) Period end procedures
 - i) the end of a work session
 - ii) the end of a month
 - iii) the end of a calendar and fiscal year
 - iv) the end of your GST reporting period

METHOD OF EVALUATION:

The final grade will be based on term work of two, one hour tests on the theory portion of the course and two, two hour lab assignments as follows:

Test #1	30%
Lab Assignment #1	20%
Test #2	30%
Lab Assignment #2	20%
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	100%

An optional final exam will be made available at the end of the semester for those who wish to replace their mark on the exam for a failed or missed test.

Grades will be assigned as follows:

A+	90-100%
A	80- 89%
B	70- 79%
C	60- 69%
R	under 59%

Students with an incomplete "X" grade at the conclusion of the semester will be given the opportunity of writing a supplementary examination if the student has attended at least 80% of the classes.

Any mark of 60% or above on the supplementary examination will result in a final grade of "C".