

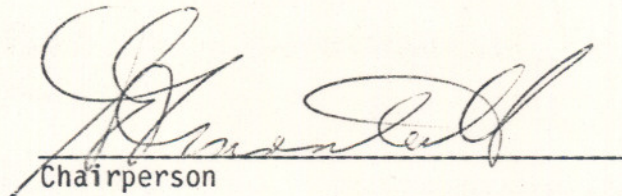
SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY
SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

Course Title: ACCOUNTING III
Code No.: ACC 200-7
Program: ACCOUNTING
Semester: THREE
Date: MAY 31, 1983
Author: B. CAMPBELL

New: _____ Revision: X

APPROVED:


Chairperson

83-07-07
Date

ACCOUNTING III
Course Name

ACC 200-7
Course Number

AIM:

1. To round out the student's knowledge in General Accounting.
2. To provide the student with the ability to make critical evaluations of accounting concepts.

GENERAL OBJECTIVES:

The student will be expected to know the following aspects of accounting on completion of this course:

1. The essential concepts of the accounting process.
2. The assumptions and basic principles on which the determination of periodic income and periodic reports of the financial position of a business are based.
3. The evaluation and control concepts applicable to cash, marketable securities, receivables and liabilities.
4. The problems of accounting for and reporting on a firm's investment in inventories.
5. The accepted accounting procedures for handling plant assets, and the effect the various alternatives have on evaluating the financial position of a firm.

METHOD OF ASSESSMENT:

The following marking scheme will be used:

- A - 80 - 100%
- B - 70 - 79
- C - 55 - 69
- I - less than 55

TEXT:

Intermediate Accounting - 3rd Canadian Edition; Meigs, Mosich, Johnson, Lockwood, Ducan

REFERENCE TEXTS:

Intermediate Accounting - 3rd Canadian Edition; Pyle and White

Intermediate Accounting - 2nd Canadian Edition; Parker, Simons, Smith

The final grade will be based on the following criteria:

Tests (4)	50%
Final Exam	50%
	<u>100%</u>

A supplementary examination will be offered to students whose semester average mark is between 39% and 55%. Those students with a semester mark below 40% will receive an "R" (repeat) grade.

<u>WEEKS</u>	<u>UNIT</u>	<u>TOPIC</u>
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1-3	1	<u>Review of the Accounting Process</u>
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- development of accounting theory
- accounting systems for journals and ledgers
- trial balance and the location of errors
- adjustments (the matching process)
- cash vs accrual measurement of income
- worksheets
- closing procedures
- reversing entries

Financial Reports

- problems relating to income measurement
- treatment of unusual items
- types of income statements (minimum requirements of the companies act)
- prior period adjustments
- form and presentation of the balance sheet
- standards of disclosure
- statement of shareholders' equity
- objectives of the statement of changes in financial position

4-7	2	<u>Cash, Cash Flows & Secondary Cash Resources</u>
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- composition of cash
- cash budget and sales forecast
- cash flows statements
- controlling the cash
- handling procedures
- accounting for temporary cash investments
- balance sheet presentation of cash and marketable securities

WEEKS UNIT TOPIC

4-7 2 Receivables

- evaluation of receivables
- revenue and non-revenue receivables
- estimation of uncollectable receivables
- treatment of discounts and allowances
- assignment and sale of receivables
- installment contracts

Current Liabilities

- defining current liabilities
- payroll liabilities
- liabilities arising from guarantees and warranties
- contingent liabilities
- estimated liabilities

8-10 3 Inventory Pricing and Control

- obsolescence and deterioration problems
- "market" & "lower of cost" definition
- write downs of inventory
- calculation of inventory using net realizable value
- inventory valuation for long-term contracts
- income tax considerations
- disclosure and consistency of inventory valuation

Inventory: Estimating Techniques

- gross profit and retail method of estimating inventories
- estimating inventories from incomplete records
- estimating inventories under various pricing methods
- estimating cost of manufacturing inventories
- inventories of supplies and short-term payments

Long-term Investments

- cost method for recording long-term investment transactions
- equity method for recording long-term investment transactions
- present value method of recording investments in bonds
- cost identification for identical securities

<u>WEEKS</u>	<u>UNIT</u>	<u>TOPIC</u>
		<u>Long-term (cont'd)</u>
		<ul style="list-style-type: none">- treatment of stock splits, warrants, and stock options- accounting treatment for special purpose funds
12-15	4	<u>Plant & Equipment - Acquisition & Retirement</u>
		<ul style="list-style-type: none">- determining applicable costs of plant assets- measuring cost of self-constructed plant assets- factors considered for distinguishing capital and revenue expenditures- lump-sum acquisitions- accounting for retirement, disposals and exchange of plant assets
		<u>Plant & Equipment - Depreciation & Depletion</u>
		<ul style="list-style-type: none">- factors in estimating periodic depreciation- depreciation methods and management decisions- composite or group depreciation- depreciation policies and income taxes- depreciation procedures and records- estimating the depletion base- methods of depletion
		<u>Intangible Assets</u>
		<ul style="list-style-type: none">- determining the cost of intangible assets- identifiable and unidentifiable assets- estimating amount of goodwill- procedure for estimating superior earnings- amortization of intangible assets