

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY

SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

Course Outline: ACCOUNTING II

Code No.: ACC 102-6

Program: ACCOUNTING

Semester: SECOND

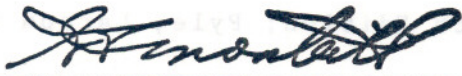
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Author: B. CAMPBELL

New: \_\_\_\_\_

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APPROVED:

  
Chairperson

85-06-10  
Date

Accounting II

Acc 102-6

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Course Name

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Course Number

PHILOSOPHY/GOALS:

To provide the accounting major with a thorough understanding and sound background in introductory accounting.

To establish work habits that will allow the student to successfully work towards further accounting education.

METHOD OF ASSESSMENT (GRADING METHOD):

There will be four regular tests and one final comprehensive examination at the end of the semester. The weighting of the tests, practice set and examination is as follows:

Regular Tests (4)	50%
Final Exam	50%

Grading will be based on the following criteria:

80% and over	A
70% to 79%	B
55% to 69%	C
Below 55%	I

Students receiving an "Incomplete" (I) grade will be required to write a supplementary examination at a time to be determined.

A student may be given an "R" grade (Repeat) at the conclusion of regular classes and denied the right to write the supplementary examination if he/she achieves an overall average below 40%, and/or the student receiving the "Incomplete" (I) grade has not attended 75% of the classes in this subject.

TEXTBOOK(S):

Fundamental Accounting Principles; 4th Edition; Pyle, Larson & Zin

REFERENCE TEXTS:

1. Basic Accounting, Second Edition; Dauderis, et al.
2. Accounting - The Basis for Business Decisions; 4th Edition; Meigs, Meigs, & Lam

ACCOUNTING II

UNIT	WEEK	TOPIC
1	1-4	<p>TOPIC #1 - <u>Receivables</u></p> <p><u>General Objective:</u> To be knowledgeable of retail credit and of managing accounts receivable.</p> <p><u>Intermediate Objectives:</u></p> <ul style="list-style-type: none"><li>a) to know the functions of a credit department.</li><li>b) be familiar with procedures for assessing credit worthiness of customers.</li><li>c) to know the methods for estimating uncollectibles.</li><li>d) to record the estimated loss from uncollectibles, and recoveries of customer accounts previously written off.</li><li>e) to know the proper method of showing credit balances in accounts receivable, and debit balances in accounts payable in the financial statements.</li><li>f) to record notes received as a method for extending credit.</li><li>g) to calculate the net proceeds of a note discounted.</li><li>h) to record a defaulted promissory note.</li><li>i) to be familiar with installment receivables.</li></ul>



ACCOUNTING II

UNIT	WEEK	TOPIC
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TOPIC #2 - Inventories

General Objectives: To understand the importance of valuation and controls.

Intermediate Objectives:

- a) to understand the importance of inventories with regard to income reporting and asset valuation.
- b) to distinguish between periodic and perpetual inventory systems.
- c) to understand the cost flow assumption associated with inventories.
- d) to know the different methods of inventory valuation and the assumption under which each is used.
- e) to know the methods employed for inventory counts.
- f) to be able to record adjustments to inventory accounts.
- g) to be familiar with the records that must be maintained for different inventory systems.
- h) to be able to record the journal entries required under the different inventory systems.
- i) to be knowledgeable of the different ways to report inventories on the balance sheet.
- j) to know the two methods of estimating ending inventories.
- k) to know what costs are to be included in inventory values.
- l) to be familiar with inventory control procedures and to understand the importance of controls to safeguard the inventories.

TEST

UNIT            WEEK            TOPIC

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2            5-8            TOPIC #1 - Plant and Equipment Assets

General Objectives: To be able to record, amortize and dispose of long-term assets.

Intermediate Objectives:

- a) to distinguish between capital expenditures and revenue expenditures.
- b) to recognize expenditures that are to be included with the capital cost of long term assets.
- c) to be familiar with the various depreciation methods and to know when each is best used.
- d) to be able to record correctly the journal entries for disposing of long-term assets.
- e) to be familiar with methods for maintaining control over plan and equipment.
- f) to be able to calculate revisions of depreciation rate.
- g) to know the effect of inflation on depreciation.
- h) to be able to discuss historical costs versus replacement costs methods for basing depreciation.

2            TOPIC #2 - Natural Resource and Intangible Assets

Intermediate Objectives:

- a) to be able to define natural resource and intangible assets.
- b) to know what costs are associated with natural resource assets.
- c) to know the methods for calculating depletion.
- d) to be able to determine the cost base for natural resource assets.

UNIT	WEEK	TOPIC
		<ul style="list-style-type: none"><li>e) to be familiar with the time limitations associated with amortizing intangible assets.</li><li>f) to understand the basis for goodwill.</li><li>g) to be able to calculate goodwill when given financial data of a business.</li><li>h) to know what costs are classified as deferred charges.</li></ul>
3	9-12	<p>TOPIC #1 - <u>Partnerships</u></p> <p><u>General Objectives:</u> To know the characteristics of accounting for partnerships.</p> <p><u>Intermediate Objectives:</u></p> <ul style="list-style-type: none"><li>a) to be acquainted with the advantages and disadvantages of partnerships.</li><li>b) to know the various arrangements for the distribution of partnership earnings.</li><li>c) to record the admission of new partners under different alternatives.</li><li>d) to record the liquidation of a partnership.</li><li>e) to examine the partnership agreement in regard to the duties of the partners and the problem of liability for the partners.</li></ul>
3		<p>TOPIC #2 - <u>Corporations</u></p> <p><u>General Objectives:</u> To demonstrate an understanding of the worth of a Corporation - it's share types, reserve and reinvested profits.</p> <p><u>Intermediate Objectives:</u></p> <ul style="list-style-type: none"><li>a) to list and evaluate the main advantage in organizing a Limited Company.</li></ul>



UNIT

WEEK

TOPIC

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- b) to understand the different types of Capital Stock and demonstrate this knowledge by recording stock issues.
- c) to prepare the Statement of Retained Earnings and understand the Appropriations related to Retained Earnings.
- d) to record Cash and Stock Dividends and appreciate the legal requirements related to such dividends.
- e) to determine the book value of shares and methods used for acquisition of treasury shares.

4            13-15    TOPIC #1 - Manufacturing Accounting

General Objectives - To be familiar with the problems of manufacturing enterprises and to compare the accounting for manufacturing firms to that for merchandising firms.

Intermediate Objectives -

- a) to become knowledgeable of the elements of manufacturing costs
- b) to understand the flow of costs in a producing enterprise
- c) to be able to prepare a manufacturing statement
- d) to know the reasons for applying overhead at pre-determined rates
- e) to be familiar with the procedures used for inventory valuation
- f) to be able to prepare a worksheet for a manufacturing firm

