

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY

SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

Course Outline: ACCOUNTING II

Code No.: ACC 102-6

Program: ACCOUNTING

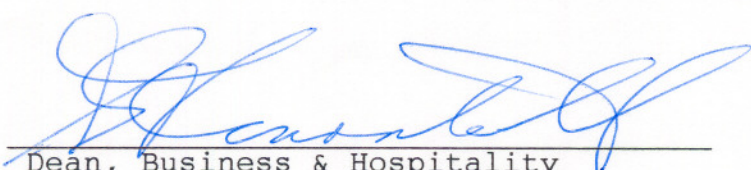
Semester: TWO

Date: JANUARY 1991

Previous Outline Dated: JANUARY, 1990

Author: B. CAMPBELL

New: _____ Revision: X

APPROVED: 
Dean, Business & Hospitality

90-12-13
Date

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 and the final examination is as follows:

Regular Tests (4)	60%
Final Exam	40%

Grading will be based on the following criteria:

90% and over	A+
80% to 89%	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 be 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:

Fundamental Accounting Principles, 6th edition, Larson, Zin & Nelson

REFERENCE TEXTS:

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

UNIT	WEEK	TOPIC
1	1-4	<p>TOPIC #1 - <u>Temporary Investments & Receivables</u></p> <p><u>General Objective:</u> To be knowledgeable of liquid assets by focusing on temporary investments of cash, accounts receivable, and short-term notes receivable.</p> <p><u>Intermediate Objectives:</u></p> <ul style="list-style-type: none">a) to know the accounting treatment of short-term investments;b) to understand the accounting procedure for recording credit card sales;c) to know the management function of granting short-term credit;d) to be familiar with the methods of estimating bad debts;e) to know the accounting treatment for recording bad debt recoveries;f) to understand the terms of a short-term note receivable;g) to record the business transactions involving short-term notes;h) to be familiar with the procedure for disclosing contingent liabilities;i) to understand the procedure for recording the transaction of discounting a note receivable.

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 plant and equipment.
- f) to be able to calculate revisions of depreciation rate.

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.
- e) to be familiar with the time limitations associated with amortizing intangible assets.
- f) to understand the basis for goodwill.
- g) to be able to calculate goodwill when given financial data of a business.
- h) to know what costs are classified as deferred charges.

UNIT	WEEK	TOPIC
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">a) to be acquainted with the advantages and disadvantages of partnerships;b) to know the various arrangements for the distribution of partnership earnings;c) to record the admission of new partners under different alternatives;d) to examine the partnership agreement in regard to the duties of the partners and the problem of liability for partners.
3	9-12	<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">a) to list and evaluate the main advantage in organizing a Limited Company.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.

UNIT	WEEK	TOPIC
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4	13-15	
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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 predetermined rates.
- e) to be familiar with the procedures used for inventory valuation.
- f) to be able to prepare a worksheet for a manufacturing firm

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TOPIC #2 - Responsibility Accounting

General Objectives: To introduce the concept of cost and profit centers.

Intermediate Objectives:

- a) to understand the basis for departmentization.
- b) to know the various basis for the allocation of expenses.
- c) to prepare departmental income statements under various assumptions.
- d) to be able to analyze actual expenses and costs to the master budget.
- e) to understand the procedures for assigning joint costs.
- f) to be familiar with the contribution approach to decision making.