

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

COURSE OUTLINE

COURSE TITLE: ACCOUNTING II

CODE NO.: ACC101 SEMESTER: TWO

PROGRAM: BUSINESS AND COMPUTER PROGRAMMER

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APPROVED: *Rae M. Lewis*
DEAN, SCHOOL OF BUSINESS &
HOSPITALITY

94/11/29
DATE

ACCOUNTING II

ACC101

COURSE NAME

COURSE CODE

Total Credits: 3

Prerequisites: Introduction to Accounting - ACC107

PHILOSOPHY/GOALS:

To provide the business and programmer major an understanding of the concepts of Introductory Accounting. To establish the analytical skills required to progress through the curriculum.

STUDENT PERFORMANCE OBJECTIVES:

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

1. Apply the accounting rules in regards to the Goods and Services Tax and Provincial Sales taxes.
2. Analyze the accounts receivable of a business and prepare the proper journal entries for recording of Uncollectible accounts and the effects of Notes Receivable.
4. Distinguish between the different Inventory valuation methods and be able to calculate the inventory of a business using the acceptable methods.
5. Apply the methods of depreciation of capital assets to a business environment. Calculate and record the journal entries for depreciation.
6. Distinguish between accounting for Partnerships and accounting for Corporations. Apply the rules which are relevant to the respective business structures.
7. Apply the techniques used to analyze Financial Statements

TOPICS TO BE COVERED:

- 1) Calculation of the Goods and Services Tax (GST) and the Provincial Sales Tax (PST)
- 3) Analysis of Accounts Receivable.

- 4) Inventory Valuation Methods.
- 5) Depreciation and disposal of Capital Assets.
- 6) Introduction to Partnership Accounting and Corporations.
- 7) Financial Statement Analysis

LEARNING OBJECTIVES

REQUIRED RESOURCES: Financial Accounting Principles, Larson, Miller, Zin and Nelson. 2nd Canadian Edition, Irwin Publishers

Accounting Working Papers Chapters 1-19
Larson, Miller, Zin and Nelson, Irwin Publ.

LEARNING OBJECTIVES:

After completing the material outlined in the study units the student should be able to:

- 1.0 Temporary Investments and Receivables
 - 1.1 Prepare journal entries to account for temporary investments.
 - 1.2 Prepare entries to account for transactions with credit customers including accounting for bad debts under the allowance method and direct write-off method.
 - 1.3 Calculate the interest on promissory notes and prepare entries to record the receipt of notes and their payment.
 - 1.4 Calculate the discount and proceeds of discounted notes receivable and prepare the entries to record these calculations.
- 2.0 Inventories and Cost of Goods Sold
 - 2.1 Calculate the cost of an inventory and cost of goods sold based on (a) specific invoice prices (b) weighted-average cost (c) FIFO and (d) LIFO.
 - 2.2 Estimate an inventory by the retail method and by the gross profit method.
- 3.0 Capital Assets: Plant and Equipment
 - 3.1 Calculate the cost of a plant asset and prepare entries to record plant asset purchases.

- 3.2 Calculate amortization by the straight-line, units-of-production and declining-balance method.
- 3.3 Calculate amortization after revising the useful life of asset.
- 4.0 Partnership Accounting
 - 4.1 List the characteristics of a partnership.
 - 4.2 Allocate partnership earnings to partners.
 - 4.3 Prepare entries for (a) sale of a partnership interest (b) admission of a new partner (c) retirement or withdrawal of a partner.
- 5.0 Accounting for the operations of a Corporation
 - 5.1 Explain the advantages, disadvantages and differences in accounting for partnerships and corporations.
 - 5.2 Record the issuance of shares in a corporation.
 - 5.3 Explain the differences between common shares and preferred shares.
 - 5.4 Explain the meaning of par, redemption, book and market value of shares.
- 6.0 Accounting for Taxes
 - 6.1 Define the Federal Goods and Services Tax (GST).
 - 6.2 Calculate the GST on goods purchased and sold and record the liability for the remittance of the tax.
 - 6.3 Define the Provincial Sales Tax (PST).
 - 6.4 Calculate and record the effects of PST on Sales and Purchases.
- 7.0 Analyzing Financial Statements
 - 7.1 Describe, prepare and interpret comparative financial statements and common-size statements.
 - 7.1 Calculate and explain the interpretation of the ratios, turnover and rates of return used to evaluate a businesses performance.

Method of Assessment:

A) Grading:	A+	90% - 100%
	A	80% - 89%
	B	70% - 79%
	C	60% - 69%
	R	Below 59% - Repeat the course

B) Tests: All students will be required to complete THREE tests during the course of the term. The total weighting of the THREE tests will represent 100% of the final term grade. The tests will be administered during the term as follows:

Test #1: Unit of study: Temporary Investments and Receivables, Inventories and Cost of Goods Sold. Reference Chapters 8 & 9.

Test #2: Unit of study: Capital Assets: Plant and Equipment, Corporations: Reference Chapters 10 & 15.

Test #3: Unit of Study: Financial Analysis and Taxes. Reference Chapters 6 & 19.

Supplementary Test: Administered at the end of the semester. A student who Fails a test or Missed writing a test during the regular semester qualifies to write the Supplementary Test. The grade received on the supplementary test will replace the lowest failed test or missed test. The supplementary test is a comprehensive test drawing upon all of the material covered during the regular semester.

Notes to Students:

- a) Attendance is critical to the participant's success in this course.
- b) Your instructor reserves the right to modify the course as he/she deems necessary to meet the needs of the students.

PRIMARY RESOURCES

- 1) Larson, Miller, Zin, Nelson, Financial Accounting Principles, 2nd Canadian Edition, Irwin Publishers
- 2) Larson, Miller, Zin, Nelson, Working Papers, Chapters 1 - 19