

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY

SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

Course Outline: Accounting II

Code Number : ACC101

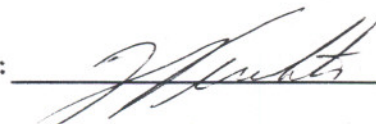
Program : Business - 2035

Semester : Winter

Date : January 1998

Previous
Outline : January 1997

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Approved: 
Dean, Business & Hospitality

Mar 18/97
Date

ACCOUNTING PRINCIPLES II

Total Credits:3

Prerequisites: Introduction to Accounting - ACC107

Course Description:

To provide the business major a thorough understanding of the concepts of Introductory Accounting. To establish the analytical skills required to progress through the Business curriculum and to enable the student to acquire the knowledge required to understand the Financial implications of business.

LEARNING OUTCOMES AND ELEMENTS OF PERFORMANCE:

A. LEARNING OUTCOMES:

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

3. LEARNING OUTCOMES AND ELEMENTS OF PERFORMANCE:

Upon successful completion of this course the student will demonstrate the ability to:

1. Analyse the accounts receivable of a business and prepare the proper journal entries for recording of Uncollectible accounts and the effects of Notes Receivable.

Temporary Investments and Receivables

Prepare journal entries to account for temporary investments.

Prepare entries to account for transactions with credit customers including accounting for bad debts under the allowance method and direct write-off method.

Calculate the interest on promissory notes and prepare entries to record the receipt of notes and their payment.

Calculate the discount and proceeds of discounted notes receivable and prepare the entries to record these calculations.

This learning outcome will constitute 15% of the course grade.

2. Distinguish between the different Inventory valuation methods and be able to calculate the inventory of a business using the acceptable methods.

Inventories and Cost of Goods Sold

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.

Calculate the lower-of-cost-or-market amount of an inventory.

Estimate an inventory by the retail method and by the gross profit method.

This learning outcome will constitute 10% of the course grade.

3. Apply the methods of depreciation of capital assets to a business environment. Calculate and record the journal entries for depreciation.

Capital Assets: Plant and Equipment

Calculate the cost of a plant asset and prepare entries to record plant asset purchases.

Calculate amortization by the straight-line, units-of-production and declining-balance method.

Calculate amortization after revising the useful life of asset.

Prepare entries to record the disposal of capital assets and the exchange of capital assets. Recognize capital gains or losses.

Prepare entries to account for natural resources and intangible assets.

This learning outcome will constitute 10% of the course grade.

4. Distinguish between accounting for Partnerships and accounting for Corporations. Apply the rules which are relevant to the respective business structures.

Partnership Accounting

List the characteristics of a partnership.

Allocate partnership earnings to partners.

Prepare entries for (a) sale of a partnership interest (b) admission of a new partner (c) retirement or withdrawal of a partner.

Prepare entries required in the liquidation of a partnership.

This learning outcome will constitute 15% of the course grade.

Accounting for the operations of a Corporation

Explain the advantages, disadvantages and differences in accounting for partnerships and corporations.

Record the issuance of shares in a corporation.

Explain the differences between common shares and preferred shares.

Explain the meaning of par, redemption, book and market value of shares.

This learning outcome will constitute 15% of the course grade.

5. Apply the accounting rules in regards to the Goods and Services Tax and Provincial Sales taxes.

Accounting for Taxes

Define the Federal Goods and Services Tax (GST).

Calculate the GST on goods purchased and sold and record the liability for the remittance of the tax.

Define the Provincial Sales Tax (PST).

Calculate and record the effects of PST on Sales and Purchases.

This learning outcome will constitute 15% of the course grade.

6. Apply the techniques used to analyse Financial Statements

Analyse Financial Statements

Describe, prepare and interpret comparative financial statements and common-size comparative statements.

Calculate and explain the interpretation of financial ratios.

This learning outcome will constitute 20% of the course grade.

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 **FOUR** tests during the course of the term. The total weighting of the **FOUR** tests will represent 100% of the final term grade. Each test is weighted as 25% of the total grade. The tests will be administered during the term as follows:

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

Test #2: Learning outcome #2&3: Capital Assets: Plant and Equipment, Natural Resources, Intangible Assets. Reference Chapters 11 & 12.

Test #3: Learning outcome #4: Partnership Accounting and Corporate Accounting. Reference chapters 14 & 15.

Test #4: Learning outcome #5&6: Taxes and Financial Statement Analysis. 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, Carroll, Zin, Nelson, Fundamental Accounting Principles, 8th Canadian Edition with Working Papers Volume I (Text used in ACC107)
Canadian Edition, Irwin Publishers
- 2) Larson, Carroll, Zin, Nelson, Fundamental Accounting Principles, 8th Canadian Edition with Working Papers Volume II
Canadian Edition, Irwin Publishers