

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY

SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

COURSE TITLE : ACCOUNTING PRINCIPLES I

CODE NO. : ACC 108 SEMESTER: TWO

PROGRAM : ACCOUNTING - 2050

AUTHOR : JOHN MITCHELL

DATE : JANUARY 1998 PREVIOUS OUTLINE DATED: JAN/97

APPROVED: _____
DEAN, BUSINESS & HOSPITALITY

DATE

TOTAL CREDIT: 6

PREREQUISITES: ACC 107

LENGTH OF COURSE: 6 HOURS/WEEK FOR 16 WEEKS

1. COURSE DESCRIPTION:

This course enables the accounting major to demonstrate a thorough understanding of the concepts of Introductory Accounting. The course will establish the analytical skills required to progress through the advanced accounting curriculum.

II. LEARNING OUTCOMES AND ELEMENTS OF PERFORMANCE:

(Generic Skills Learning Outcomes placement on the course outline will be determined at a later date)

A. Learning Outcomes:

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.
3. Distinguish between the different Inventory valuation methods and be able to calculate the inventory of a business using the acceptable methods.
4. Apply the methods of depreciation of capital assets to a business environment. Calculate and record the journal entries for depreciation.
5. Prepare the Payroll Register for a small company by utilizing all of the Revenue Canada Guidelines and accepted accounting principles.
6. Distinguish between accounting for Partnerships and accounting for Corporations. Apply the rules which are relevant to the respective business structures.

B. Learning Outcomes and Elements of the Performance:

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

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

Elements of the performance:

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- 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 objective will constitute 10% of the course's grade.

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.

Elements of the performance:

- 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's grade.

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

Elements of the performance:

- 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 15% of the course's grade.

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

Elements of the performance:

- 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.
- Describe the difference between revenue and capital expenditures and account for costs such as repairs for capital assets.
- 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 20% of the course's grade.

5. Prepare the Payroll Register for a small company by utilizing all of the Revenue Canada Guidelines and accepted accounting principles.

Elements of the performance:

- Make the calculations necessary to prepare a Payroll register and prepare the entry to record payroll liabilities.
- Prepare journal entries to record the payments to employees.
- Calculate the payroll costs levied on employers and prepare the entries to accrue these costs.

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

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

business structures.

Elements of the performance:

- 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.
- 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 25% of the course's grade.

III. TOPICS TO BE COVERED:

- 1) Calculation of the Goods and Services Tax (GST) and the Provincial Sales Tax (PST)
- 2) Analysis of Accounts Receivable.
- 3) Inventory Valuation Methods.
- 4) Depreciation and disposal of Capital Assets.
- 5) Accounting Principles applicable to the preparation of Payroll records.
- 6) Introduction to Partnership Accounting.
- 7) Introduction to Accounting for Corporations.

IV. REQUIRED RESOURCES/TEXTS/MATERIALS

- 1) Larson, Nelson, Zin, Carroll, Financial Accounting Principles, 8th Canadian Edition, Irwin Publishers

- 2) Larson, Miller, Zin, Nelson, Working Papers,

V. EVALUATION PROCESS/GRADING SYSTEM

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. The tests will be administered during the term as follows:

Test #1: Learning Outcomes 1 and 2. Reference chapters 6 & 8 and handouts.

Test #2: Learning Outcomes 3 and 4. Reference chapters 9 & 11.

Test #3: Learning Outcomes 5 and partial 6. Ref. chapters 10,13 & 14.

Test #4: Learning Outcome 6. Reference chapters 15 & 16.

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.

IV. SPECIAL NOTES:

- Attendance is critical to the participant's success in this course.
- Successful completion of ACC 108 will allow the student to enrol in the advanced accounting courses.
- Your instructor reserves the right to modify the course as he/she deems necessary to meet the needs of the students.