

SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

SAULT STE. MARIE, ONTARIO



Sault College

COURSE OUTLINE

COURSE TITLE: ACCOUNTING PRINCIPLES III

CODE NO. : ACC 2320 **SEMESTER:** 4

PROGRAM: ACCOUNTING

AUTHOR: Grant Dunlop

DATE: JANUARY **PREVIOUS OUTLINE DATED:** JAN 02
2003

APPROVED:

	_____	_____
	DEAN	DATE

TOTAL CREDITS: 5

PREREQUISITE(S): ACC 2210

LENGTH OF COURSE: 15 WEEKS **TOTAL CREDIT HOURS:** 5

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For additional information, please contact
Dean, School of Student Success Services,
Business and Liberal Studies
(705) 759-2554, Ext. 516

Course Name

Code No.**I. COURSE DESCRIPTION:**

This course will review and expand on the topics covered in previous accounting courses. A better understanding of financial statements will be the purpose of the theory for this course. Accounting based assignments using current technology will be prepared.

II. LEARNING OUTCOMES AND ELEMENTS OF THE PERFORMANCE:

1. Demonstrate a greater understanding of accounting issues related to current liabilities and inventories, and be able to problem solve situations involving these and determine the effects on the income statement and balance sheet. This learning outcome will constitute 25% of the course's grade

Potential Elements of the Performance:

- Current liabilities identification and treatment on financial statements
- Define the major inventory classifications for merchandising and manufacturing companies.
- Differentiate between the periodic and perpetual inventory systems.
- Identify the units that should be included in inventory.
- Understand the effects of inventory errors on the income statement and balance sheet.
- List and apply the four traditional inventory cost flow assumptions; that are, specific identification, average cost, FIFO (first in, first out), and LIFO (last in, first out).
- Understand the major advantages and disadvantages of the various cost flow assumptions.
- Understand the rationale behind the lower-of-cost-or-market (LCM) inventory method.
- Apply LCM to individual inventory items, groups of inventory items, or total inventory.
- Estimate ending inventory by the gross profit method.
- Understand the general steps of the retail inventory method.

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Demonstrate a greater understanding of assets valuation and amortization methods for their allocation. This learning outcome will constitute 10% of the course's grade.

Potential Elements of the Performance:

Distinguish between expenditures that are capitalized to plant assets and those that are expensed.

- Apply specific valuation principles for capital assets acquired by means other than cash.
- Account for the disposal of capital assets.
- Apply the general principle underlying accounting for depreciation.
- Apply several depreciation methods and explain the incentives for choosing them.
- Explain the capital cost allowance system.

- 3.. Demonstrate an understanding of intangible assets This learning outcome will constitute 10% of the course's grade.

Potential Elements of the Performance:

- Explain the characteristics of intangible assets
- Describe the general accounting treatment for intangible assets
- Explain how goodwill arises; measure, record, and amortize goodwill.

- 4 Demonstrate a greater understanding of shareholders equity. This learning outcome will constitute 10 % of the course's grade.

Potential Elements of the Performance:

- Record transactions involving cash dividends
- Describe stock dividends and stock splits
- Account for stock dividends and stock splits
- Record purchases and sales of treasury shares and the retirement of shares
- Explain the form and content of the corporate income statement
- Compute earnings per share and describe its use
- Explain the terms reported in retained earnings

5. Distinguish various types of long term liabilities such as bonds and notes, calculate selling prices on contract date and between interest dates, understand the rationale for amortizing the premium or discount on bonds and prepare various journal entries to record bond and note transactions in a variety of situations. This learning outcome will constitute approximately 25% of the course's grade

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Potential Elements of the Performance:

- Compare bond financing versus share financing
- Explain the types of bonds and their issuing procedures
- Prepare entries to record bond issuance and bond interest expense
- Compute and record amortization of bond discount
- Compute and record amortization of bond premium
- record the retirement of bonds
- Explain the types and payment patterns of notes
- Prepare entries to account for notes

III. TOPICS:

1. Current Liabilities and Inventories
2. Capital Assets: acquisition, disposal and amortization
3. Intangible Assets: intangible and goodwill
4. Corporate Reporting: Dividends, Shares, and Income
5. Bonds and Long Term Notes Payable

IV. REQUIRED RESOURCES/TEXTS/MATERIALS:

Texts: Intermediate Accounting, 2nd Canadian Ed.- Beechy/Conrod Chp 1-14 and Fundamental Accounting Principles, 10 Canadian Edition Volume 2– Larsen/ Jensen/ Carroll

V. EVALUATION PROCESS/GRADING SYSTEM:

The following semester grades will be assigned to students in postsecondary courses:

<u>Grade</u>	<u>Definition</u>	<u>Grade Point Equivalent</u>
A+	90 - 100%	4.00
A	80 - 89%	3.75
B	70 - 79%	3.00
C	60 - 69%	2.00
R (Repeat)	59% or below	0.00
CR (Credit)	Credit for diploma requirements has been awarded.	

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S	Satisfactory achievement in field placement or non-graded subject areas.
U	Unsatisfactory achievement in field placement or non-graded subject areas.
X	A temporary grade. This is used in limited situations with extenuating circumstances giving a student additional time to complete the requirements for a course (see <i>Policies & Procedures Manual – Deferred Grades and Make-up</i>).
NR	Grade not reported to Registrar's office. This is used to facilitate transcript preparation when, for extenuating circumstances, it has been impossible for the faculty member to report grades.

The final grade will be based on term work of three tests and assignments

Test #1	25%
Test #2	30%
Test #3	25%
Assignments	20%
Grand Total	100%

An optional final exam will be made available at the end of the semester for those who wish to replace their mark on the exam for a failed or missed test.

VI. SPECIAL NOTES:

Special Needs:

If you are a student with special needs (e.g. physical limitations, visual impairments, hearing impairments, or learning disabilities), you are encouraged to discuss required accommodations with your instructor and/or the Special Needs office. Visit Room E1204 or call Extension 493, 717, or 491 so that support services can be arranged for you.

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Retention of course outlines:

It is the responsibility of the student to retain all course outlines for possible future use in acquiring advanced standing at other postsecondary institutions.

Plagiarism

Students should refer to the definition of “academic dishonesty” in *Student Rights and Responsibilities*. Students who engage in “academic dishonesty” will receive an automatic failure for that submission and/or such other penalty, up to and including expulsion from the course, as may be decided by the professor. In order to protect students from inadvertent plagiarism, to protect the copyright of the material referenced, and to credit the author of the material, it is the policy of the department to employ a documentation format for referencing source material.

The Professor reserves the right to change the information contained in this course outline depending on the needs of the learner and the availability of resources.

Substitute course information is available in the Registrar's office.

VII. PRIOR LEARNING ASSESSMENT:

Students who wish to apply for advanced credit in the course should consult the instructor. Credit for prior learning will be given upon successful completion of the following:

VIII. DIRECT CREDIT TRANSFERS:

Students who wish to apply for direct credit transfer (advanced standing) should obtain a direct credit transfer form from the Dean's secretary. Students will be required to provide a transcript and course outline related to the course in question.