

**SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY**

**SAULT STE. MARIE, ONTARIO**



Sault College

**COURSE OUTLINE**

<b><u>COURSE TITLE:</u></b>	ACCOUNTING PRINCIPLES I		
<b><u>CODE NO. :</u></b>	ACC108	<b><u>SEMESTER:</u></b>	2
<b><u>PROGRAM:</u></b>	ACCOUNTING		
<b><u>AUTHOR:</u></b>	G. DUNLOP <a href="mailto:Grant.Dunlop@saultcollege.ca">Grant.Dunlop@saultcollege.ca</a> 705-759-2554 ext.2484		
<b><u>DATE:</u></b>	January 2009	<b><u>PREVIOUS OUTLINE DATED:</u></b>	January 2008
<b><u>APPROVED:</u></b>	“Penny Perrier”		
		<b>CHAIR</b>	<b>DATE</b>
<b>TOTAL CREDITS:</b>	6		
<b>PREREQUISITE(S):</b>	ACC107		
<b>LENGTH OF COURSE:</b>	6 Hours/Week for 15 Weeks	<b>TOTAL CREDIT HOURS:</b>	90

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 For additional information, please contact Penny Perrier, Chair  
 School of Continuing Education, Business & Hospitality  
 (705) 759-2554, Ext. 2754

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Course Name

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Code No.**I. 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 THE PERFORMANCE:**

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

1. Recognize the need for adjusting the accounts periodically and demonstrate how the adjusted trial balance is prepared.

Potential Elements of the Performance:

- Explain the importance of periodic reporting and the time period principle.
  - Describe the purpose of adjusting accounts at the end of a period.
  - Explain accrual accounting and how it adds to the usefulness of financial statements.
  - Identify the types of adjustments and their purpose.
  - Prepare and explain adjusting entries for prepaid expenses, amortization, and unearned revenue.
  - Prepare and explain adjusting entries for accrued expenses and accrued revenues.
  - Explain how accounting adjustments link to financial statements.
  - Explain and prepare an adjusted trial balance.
  - Prepare financial statements from an adjusted trial balance.
  - Record and describe entries for later periods that result from accruals.
2. Complete the accounting cycle and prepare classified balance sheets.

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Code No.Potential Elements of the Performance:

- Explain why temporary accounts are closed each period.
  - Describe and prepare closing entries.
  - Explain and prepare a post-closing trial balance.
  - Prepare a worksheet and explain its usefulness.
  - Identify the steps in the accounting cycle.
  - Explain and prepare a classified balance sheet.
3. Account for merchandising company transactions, perpetual inventories, and the completion of the merchandising business cycle, as well as prepare several types of income statements.

Potential Elements of the Performance:

- Review merchandising activities.
  - Identify and explain the important components of income for a merchandising business.
  - Identify and explain the inventory asset of a merchandising company.
  - Describe both periodic and perpetual inventory systems.
  - Analyze and record various transactions using a perpetual system.
  - Prepare adjustments and close accounts for a merchandising company.
  - Define and prepare multiple-step and single-step income statements.
  - Analyze and interpret accruals and cash flows for merchandising activities.
4. Distinguish between the different Inventory valuation methods and be able to calculate the inventory of a business using the acceptable methods.

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Code No.Potential Elements of the Performance:

- Compute inventory in a perpetual system using the methods of specific identification, weighted average, FIFO, LIFO.
  - Identify the items making up merchandise inventory.
  - Identify the costs of merchandise inventory.
  - Analyze the effects of inventory methods for financial reporting.
  - Analyze the effects of inventory errors on current and future financial statements.
  - Compute the lower of cost or market value of inventory.
  - Apply both the retail inventory and the gross profit methods to estimate inventory.
5. Analyze the accounts receivable of a business and prepare the proper journal entries for recording of uncollectible accounts, and the effects of Notes Receivable.

Potential Elements of the Performance:

- Describe accounts receivable and how they occur and are recorded.
  - Apply the direct write-off and allowance methods to account for bad debts.
  - Estimate uncollectibles using methods based on sales and accounts receivable.
  - Describe a note receivable and the computation of its maturity date and interest.
  - Record various transactions relating to receivables.
6. Account for capital assets. Apply the methods of amortization of capital assets to a business environment. Calculate and record the journal entries for capital asset transactions and amortization.

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Code No.Potential Elements of the Performance:

- Describe capital assets and issues in accounting for them.
  - Apply the cost principle to compute the cost of capital assets.
  - Explain amortization and the factors affecting its computation.
  - Compute and record amortization using the methods of straight-line, units-of-production, and declining-balance.
  - Compare and analyze amortization for different methods.
  - Explain amortization for partial years and when estimates change.
  - Distinguish between revenue and capital expenditures, and account for these expenditures.
  - Account for asset disposal through discarding, selling, or exchanging an asset.
7. Account for current liabilities as well as estimated and contingent liabilities.

Potential Elements of the Performance:

- Describe current and long-term liabilities and their characteristics.
  - Identify and describe known current liabilities.
  - Account for GST transactions.
  - Prepare entries to account for short-term notes payable.
  - Account for estimated liabilities.
  - Explain how to account for contingent liabilities.
8. Apply the accounting procedures and rules as they relate to the Partnership business structure.

Potential Elements of the Performance:

- Identify characteristics of partnerships and similar organizations and explain the concepts of mutual agency and unlimited liability in a partnership.
  - Prepare entries when forming a partnership.
  - Allocate and record income and loss among partners.
  - Account for the admission and withdrawal of a partner.
  - Prepare entries for partnership liquidation.
9. Distinguish between accounting for Partnerships and accounting for Corporations. Apply the accounting procedures and rules as they relate to the corporate business structure.

Potential Elements of the Performance:

- Identify characteristics of corporations and their organization.
- Describe and contrast the specialized components of corporate financial statements.

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Course Name

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Code No.

- Record the issuance of corporate shares.
- Explain the characteristics of common shares and preferred shares.
- Describe and account for cash dividends.
- Distribute dividends between common and preferred shares.
- Record closing entries for corporations.

**III. TOPICS:**

1. Adjusting Accounts for Financial Statements
2. Completing the Accounting Cycle and Classifying Accounts
3. Accounting for Merchandising Activities
4. Merchandise Inventories and Cost of Sales
5. Receivables and Bad Debts
6. Capital Assets: Plant and Equipment
7. Current and Contingent Liabilities
8. Partnerships
9. Corporations

**IV. REQUIRED RESOURCES/TEXTS/MATERIALS:**

- 1) Larson ,Jensen  
**Fundamental Accounting Principles**, 12th Canadian  
Edition, McGraw Hill Publishers Volume I & II

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**V. EVALUATION PROCESS/GRADING SYSTEM:**

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, each representing 33 1/3 % of the final result. The tests will be administered during the term as follows:

Test #1: Learning Outcomes 1, 2 and 3. Reference chapters 4, 5, & 6.

Test #2: Learning Outcomes 4, 5 and 6. Reference chapters 7, 10, & 12.

Test #3: Learning Outcomes 7, 8 and 9. Reference chapters 13, 14, & 15.

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, provided they have attended at least 80% of classes.

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. . This test is not for the purpose of bettering a grade obtained in the regular course program.

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%	4.00
B	70 - 79%	3.00
C	60 - 69%	2.00
D	50 - 59%	1.00
F (Fail)	49% or below	0.00
CR (Credit)	Credit for diploma requirements has been awarded.	
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 &amp; Procedures</i> )	

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Code No.

NR *Manual – Deferred Grades and Make-up).*  
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.

## 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 professor and/or the Special Needs office. Visit Room E1101 or call Extension 2703 so that support services can be arranged for you.

### 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.

### Communication:

The College considers **WebCT/LMS** as the primary channel of communication for each course. Regularly checking this software platform is critical as it will keep you directly connected with faculty and current course information. Success in this course may be directly related to your willingness to take advantage of the **Learning Management System** communication tool.

### 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.



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Code No.**VII. PRIOR LEARNING ASSESSMENT:**

Students who wish to apply for advance credit transfer (advanced standing) should obtain an Application for Advance Credit from the program coordinator (or the course coordinator regarding a general education transfer request) or academic assistant. Students will be required to provide an unofficial transcript and course outline related to the course in question.

Credit for prior learning will also be given upon successful completion of a challenge exam or portfolio.

**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.