

SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

SAULT STE. MARIE, ONTARIO



COURSE OUTLINE

<u>COURSE TITLE:</u>	ACCOUNTING PRINCIPLES III		
<u>CODE NO. :</u>	ACC 232	<u>SEMESTER:</u>	4
<u>PROGRAM:</u>	ACCOUNTING		
<u>AUTHOR:</u>	Grant Dunlop Grant.Dunlop@saultcollege.ca 705-759-2554 ext.2484		
<u>INSTRUCTOR:</u>	Kaisa Manttari		
<u>DATE:</u>	June 2012	<u>PREVIOUS OUTLINE DATED:</u>	June 2011
<u>APPROVED:</u>	"Brian Punch"		June/12
	_____ CHAIR		_____ DATE
TOTAL CREDITS:	5		
PREREQUISITE(S):	ACC 221		
LENGTH OF COURSE:	15 WEEKS	TOTAL CREDIT HOURS:	75

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For additional information, please contact Brian Punch, Chair

School of Environment, Technology and Business.

(705) 759-2554, Ext. 2681

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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.

2. 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.

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- 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
 - Accounting changes
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 and cumulative course material will constitute approximately 30% of the course's grade

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

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- record the retirement of bonds
- Explain the types and payment patterns of notes
- Prepare entries to account for notes

III. TOPICS:

Chapter 7: Financial Instruments: Cash, Receivables, and Payables

Chapter 8: Inventories and Cost of Sales

Chapter 9: Property, Plant and Equipment, Intangibles, and Goodwill

Chapter 10: Depreciation, Amortization, and Impairment

Chapter 11: Financial Instruments: Investments in Debt and Equity Securities

Bonds and Long Term Notes Payable

IV. REQUIRED RESOURCES/TEXTS/MATERIALS:

Texts: Intermediate Accounting, 5th Canadian Ed.- Beechy / Conrod
Volume 1 and Fundamental Accounting Principles, 13th Canadian Edition
Volume 2– Larson/ Jensen

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%	4.00

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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 & 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	30%
Assignments	15%
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, provided the student has attended 80% of classes.

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Code No.**VI. SPECIAL NOTES:**Attendance:

Sault College is committed to student success. There is a direct correlation between academic performance and class attendance; therefore, for the benefit of all its constituents, all students are encouraged to attend all of their scheduled learning and evaluation sessions. This implies arriving on time and remaining for the duration of the scheduled session.

VII. COURSE OUTLINE ADDENDUM:

The provisions contained in the addendum located on the portal form part of this course outline.