

**SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY**

**SAULT STE. MARIE, ONTARIO**



**COURSE OUTLINE**

**COURSE TITLE:** ACCOUNTING PRINCIPLES III

**CODE NO. :** ACC 232                                   **SEMESTER:** 4

**PROGRAM:** ACCOUNTING

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**INSTRUCTOR:** Kaisa Manttari [kaisa.manttari@saultcollege.ca](mailto:kaisa.manttari@saultcollege.ca)

**DATE:** Jan 2013                   **PREVIOUS OUTLINE DATED:** JANUARY  
2012

**APPROVED:** "Colin Kirkwood"                   June/13

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**DEAN**   **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 Colin Kirkwood, Dean*  
*School of Environment, Technology and Business*  
*(705) 759-2554, Ext. 2688*

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Course Name

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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 cash and cash equivalents, receivables and current liabilities, and be able to problem solve situations involving these and determine the effects on the Statement of Income and Statement of Financial Position. This learning outcome will constitute 15% of the course's grade

Potential Elements of the Performance:

- Classify financial instruments
- Explain internal control and the need for it
- Use a bank reconciliation as part of cash control
- Determine receivable balances
- Estimate uncollectible accounts
- Understand the effect of Foreign currency translation
- Present receivables on the Statement of Financial Position
- Current liabilities identification and treatment on financial statements
- Present value analysis relating to short and longer term liabilities

2. Demonstrate a greater understanding of accounting issues related to inventories and cost of sales, and be able to problem solve situations involving these and determine the effects on the Statement of Income and Statement of Financial Position. This learning outcome will constitute 15% of the course's grade

Potential Elements of the Performance:

- Determine the proper cost of inventory and the units that should be included
- Define the major inventory classifications for merchandising and manufacturing companies.
- Differentiate between the periodic and perpetual inventory systems.
- List and apply the three traditional inventory cost flow assumptions.
- Describe and apply Net Realizable Value to individual inventory items, groups of inventory items, or total inventory.

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Course Name

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Code No.

- Understand the effects of inventory errors on the Statement of Income and Statement of Financial Position.
  - Estimate ending inventory by the gross profit method.
  - Understand the general steps of the retail inventory method.
  - Discuss ethical issues that arise from accounting for inventory.
3. Demonstrate a greater understanding of Long Term Assets, including Property, Plant and Equipment, Intangibles and Goodwill. This learning outcome will constitute 15% of the course's grade.

Potential Elements of the Performance:

- Distinguish between expenditures that are capitalized to plant assets and those that are expensed.
  - Discuss the three valuation models for long-term assets
  - Describe component accounting
  - Account for subsequent expenditures
  - Understand the recognition and measurement of Property, Plant and Equipment
  - Explain the characteristics of intangible assets
  - Describe the general accounting treatment for intangible assets
  - Account for gains or losses on disposal and derecognition of long lived assets.
  - Explain how goodwill arises; measure, record, and amortize goodwill.
4. Demonstrate an understanding of depreciation and amortization methods for allocation of long-term assets. This learning outcome will constitute 15% of the course's grade.

Potential Elements of the Performance:

- Describe the purpose of depreciation and amortization and when used.
- Discuss accounting policy choices in regards to depreciation
- Identify the various methods of depreciation and amortization and prepare calculations over the life of the asset
- Explain the necessity to review long term asset values for potential writedown on a regular basis
- Discuss why companies should disclose their depreciation and amortization methods in the financial statements
- Describe when impairment testing is necessary for long-lived assets and how to allocate the loss if required
- Explain the capital cost allowance system.

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Course Name

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Code No.

5. Demonstrate an understanding of Investments in Debt and equity securities. This learning outcome will constitute 15 % of the course's grade.
- Potential Elements of the Performance:
  - Describe how investments are classified
  - Explain the methods of accounting for investments
  - Estimate the fair value of investments
  - Discuss when consolidation and reclassification are necessary
  - Explain why significant disclosures is needed for investments
6. 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 15% 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
- record the retirement of bonds
- Explain the types and payment patterns of notes
- Prepare entries to account for notes

**III. TOPICS:**

Financial Instruments: Cash, Receivables, and Payables

Inventories and Cost of Sales

Property, Plant and Equipment, Intangibles, and Goodwill

Depreciation, Amortization, and Impairment

Financial Instruments: Investments in Debt and Equity Securities

Bonds and Long Term Notes Payable

Course Name

Code No.

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

Intermediate Accounting, 5<sup>th</sup> Canadian Ed.- Beechy / Conrod Volume 1 & Fundamental Accounting Principles, 13<sup>th</sup> Canadian Edition - Larson/ Jensen Volume 2

**Reference** : Fundamental Accounting Principles, 13<sup>th</sup> Canadian Edition - Larson/ Jensen Volume 1

**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
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 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.	

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Course Name

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Code No.

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

Test #1 Units 1 & 2	20%
Test #2 Units 3 & 4	20%
Test #3 Units 5 & 6	20%
Assignments	10%
Final exam	30%
Grand Total	100%

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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.

#### 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:

1. Course Outline Amendments:

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.

2. 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.

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Course Name

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Code No.

3. 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. Please refer to the Student Academic Calendar of Events for the deadline date by which application must be made for advance standing.

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

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

4. Accessibility Services:

If you are a student with a disability (e.g. physical limitations, visual impairments, hearing impairments, or learning disabilities), you are encouraged to discuss required accommodations with your professor and/or the Accessibility Services office. Visit Room E1101 or call Extension 2703 so that support services can be arranged for you.

5. Communication:

The College considers ***Desire2Learn (D2L)*** 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 this Learning Management System (LMS) communication tool.

6. Plagiarism:

Students should refer to the definition of “academic dishonesty” in *Student Code of Conduct*. 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/program, as may be decided by the professor/dean. 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.

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Course Name

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Code No.

7. Tuition Default:

Students who have defaulted on the payment of tuition (tuition has not been paid in full, payments were not deferred or payment plan not honoured) as of the first week of *March* will be removed from placement and clinical activities due to liability issues. This may result in loss of mandatory hours or incomplete course work. Sault College will not be responsible for incomplete hours or outcomes that are not achieved or any other academic requirement not met as of the result of tuition default. Students are encouraged to communicate with Financial Services with regard to the status of their tuition prior to this deadline to ensure that their financial status does not interfere with academic progress.

8. Student Portal:

The Sault College portal allows you to view all your student information in one place. **mysaultcollege** gives you personalized access to online resources seven days a week from your home or school computer. Single log-in access allows you to see your personal and financial information, timetable, grades, records of achievement, unofficial transcript, and outstanding obligations, in addition to announcements, news, academic calendar of events, class cancellations, your learning management system (LMS), and much more. Go to <https://my.saultcollege.ca>.

9. Electronic Devices in the Classroom:

Students who wish to use electronic devices in the classroom will seek permission of the faculty member before proceeding to record instruction. With the exception of issues related to accommodations of disability, the decision to approve or refuse the request is the responsibility of the faculty member. Recorded classroom instruction will be used only for personal use and will not be used for any other purpose. Recorded classroom instruction will be destroyed at the end of the course. To ensure this, the student is required to return all copies of recorded material to the faculty member by the last day of class in the semester. Where the use of an electronic device has been approved, the student agrees that materials recorded are for his/her use only, are not for distribution, and are the sole property of the College.