

ACC201 Intermediate Accounting I – Administration Outline

Course Information

Organization	Mercer County Community College
Credits	3
Contact Hours	3/1

Description

A detailed study of accounting theory and practice as they relate to cash, receivables, inventories, operational assets, and the financial statements.

Prerequisite

ACC111 with a minimum C grade

Revised: Spring 2019

Course Competencies/Goals:

The student will be able to:

- A. Define the GAAP that relate to financial accounting.
- B. Discuss the theory that supports GAAP.
- C. Describe the role of accounting in a management information system.
- D. Explain the role of the accountant as part of the management team of an organization.

General Education Knowledge Goals:

- Goal 1 Communication. Students will communicate effectively in both speech and writing.
- Goal 2 Mathematics. Students will use appropriate mathematical and statistical concepts and operations to interpret data and to solve problems.
- Goal 9 Ethical Reasoning and Action. Students will understand ethical issues and situations.

MCCC Core Skills:

- Goal A: Written and Oral Communication in English. Students will communicate effectively in speech and writing, and demonstrate proficiency in reading.
- Goal B: Critical Thinking and Problem-solving. Students will use critical thinking and problem solving skills in analyzing information.
- Goal C: Ethical Decision-making. Students will recognize, analyze and assess ethical issues and situations.
- Goal F: Collaboration and Cooperation. Students will develop the interpersonal skills required for effective performance in group situations.

Units of Study in Detail:

Competencies

1. **Discuss the environment and theoretical structure of financial accounting**
Learning Objectives
 - a. Describe the function and primary focus of financial accounting. (Course Goals A, B; General Education 1; MCCC Core A)
 - b. Define GAAP and discuss the historical development of accounting standards. (Course Goals A, B; General Education 1; MCCC Core A)
 - c. Explain the purpose of the FASB's conceptual framework. (Course Goals A, B; General Education 1; MCCC Core A)
 - d. Describe the four basic assumptions underlying GAAP. (Course Goals A, B; General Education 1; MCCC Core A)

2. **Complete the accounting cycle**
Learning Objectives
 - a. Record transactions using the General Journal. (Course Goals B, D; General Education Goals 2; MCCC Core B)
 - b. Identify and describe the different types of adjusting journal entries. (Course Goals B, D; General Education Goals 2; MCCC Core B)
 - c. Prepare the four basic financial statements. (Course Goals B, D; General Education Goals 2; MCCC Core B)
 - d. Describe the closing process (Course Goals B, D; General Education Goals 2; MCCC Core B)

3. **Describe and prepare the balance sheet and related disclosures**
Learning Objectives
 - a. Describe the purpose of the balance sheet and its usefulness and limitations. (Course Goals A, B; General Education 1, 2; MCCC Core A, B)
 - b. Explain the purpose of financial statement disclosures. (Course Goals A, B; General Education 1, 2; MCCC Core A, B)
 - c. Identify and calculate the common liquidity and financing ratios used to assess risk. (Course Goals A, B; General Education 1, 2; MCCC Core A, B)
 - d. Prepare a balance sheet. (Course Goals A, B; General Education 1, 2; MCCC Core A, B)

4. **Describe and prepare the income statement and related disclosures**
Learning Objectives
 - a. Describe the purpose of the income statement. (Course Goals A, B; General Education 1, 2; MCCC Core A, B)
 - b. Explain the difference between net income and comprehensive income. (Course

Goals A, B; General Education 1, 2; MCCC Core A, B)

c. Prepare an income statement. (Course Goals A, B; General Education 1, 2; MCCC Core A, B)

5. **Discuss the measurement of income and analyze profitability**

Learning Objectives

a. Discuss the general objective of the timing of revenue recognition. (Course Goals A, B; General Education 1; MCCC Core A, B)

b. Apply the general criteria that must be satisfied before revenue can be recognized. (Course Goals A, B, C; General Education 1, 2; MCCC Core A, B)

c. Identify and calculate the common ratios used to assess profitability. (Course Goals A, B, C; General Education 1, 2; MCCC Core A, B)

6. **Understand present value and future value concepts**

Learning Objectives

a. Explain the difference between simple and compound interest. (Course Goals A, B; General Education 2; MCCC Core B)

b. Compute the future value of a single amount and an annuity. (Course Goals A, B; General Education 2; MCCC Core B)

c. Compute the present value of a single amount and an annuity. (Course Goals A, B; General Education 2; MCCC Core B)

7. **Account for cash, accounts receivable, and notes receivable**

Learning Objectives

a. Define what is meant by internal control. (Course Goals A, B, C, D; General Education 1,9; MCCC Core A, B, C)

b. Describe some key elements of an internal control system for cash. (Course Goals A, B, C, D; General Education 1,9; MCCC Core A, B, C)

c. Distinguish between the gross and net methods of accounting for cash discounts. (Course Goals A, B, C, D; General Education 1,9; MCCC Core A, B, C)

d. Describe the accounting treatments for uncollectible accounts receivable. (Course Goals A, B, C, D; General Education 1,9; MCCC Core A, B, C)

e. Explain the accounting treatment for short-term notes receivable. (Course Goals A, B, C, D; General Education 1,9; MCCC Core A, B, C)

8. **Describe the accounting for inventory measurement**

Learning Objectives

a. Explain the difference between a perpetual inventory system and a periodic inventory system. (Course Goals A, B, C, D; General Education 2; MCCC Core A, B)

b. Determine which physical quantities of goods and expenditures should be included in inventory. (Course Goals A, B, C, D; General Education 2; MCCC Core A, B)

c. Discuss the factors affecting a company's choice of inventory methods. (Course Goals A, B, C, D; General Education 2; MCCC Core A, B)

d. Explain the four methods used to determine the costs of ending inventory and the cost of goods sold. (Course Goals A, B, C, D; General Education 2; MCCC Core A, B)

e. Determine ending inventory using dollar-value LIFO inventory method. (Course Goals

A, B, C, D; General Education 2; MCCC Core A, B)

9. **Discuss additional issues that accountants face when accounting for inventory**

Learning Objectives

- a. Apply the lower-of-cost-or market rule used to value inventories. (Course Goals A, B, C; General Education 1, 2; MCCC Goals A, B)
- b. Estimate ending inventory and cost of goods sold using the gross profit method and the retail inventory method. (Course Goals A, B, C; General Education 1, 2; MCCC Goals A, B)
- c. Explain the appropriate accounting treatment required when a change in inventory method is made. (Course Goals A, B, C; General Education 1, 2; MCCC Goals A, B)
- d. Explain the appropriate accounting treatment required when an inventory error is discovered. (Course Goals A, B, C; General Education 1, 2; MCCC Goals A, B)

10. **Explain the acquisition and disposition of operational assets**

Learning Objectives

- a. Identify the costs included in the cost of operational assets. (Course Goals A, B, C; General Education 1, 2; MCCC Goals A, B)
- b. Calculate asset costs during a lump-sum purchase. (Course Goals A, B, C; General Education 1, 2; MCCC Goals A, B)
- c. Account for deferred payment contracts. (Course Goals A, B, C; General Education 1, 2; MCCC Goals A, B)
- d. Account for assets acquired in exchange for equity securities or through donation. (Course Goals A, B, C; General Education 1, 2; MCCC Goals A, B)
- e. Identify the items included in the cost of a self-constructed asset. (Course Goals A, B, C; General Education 1, 2; MCCC Goals A, B)
- f. Explain the difference in the accounting treatments of costs incurred to purchase intangible assets versus the costs incurred to develop intangible assets. (Course Goals A, B, C; General Education 1, 2; MCCC Goals A, B)

11. **Explain the utilization and depreciation of operational assets - Chapter Eleven**

Learning Objectives

- a. Explain the concept of cost allocation. (Course Goals A, B, C; General Education 1, 2; MCCC Core A, B)
- b. Determine the periodic depreciation using both time-based and activity-based methods. (Course Goals A, B, C; General Education 1, 2; MCCC Core A, B)
- c. Calculate the periodic depletion of a natural resource. (Course Goals A, B, C; General Education 1, 2; MCCC Core A, B)
- d. Calculate the periodic amortization of an intangible asset. (Course Goals A, B, C; General Education 1, 2; MCCC Core A, B)
- e. Explain the appropriate accounting treatment when a change in an estimate has occurred or an error has occurred. (Course Goals A, B, C; General Education 1, 2; MCCC Core A, B)
- f. Discuss the accounting treatment for repairs, maintenance, additions, improvements,

and rearrangements of operational assets. (Course Goals A, B, C; General Education 1, 2; MCCC Core A, B)

Grading Information

Grading Scale

Tests (Chapters 1 to 11) 80%*

Cases 15% (Course Goals D, E; General Education 1, 2, 9; MCCC Core A, B, C, F)

Class Work & Quizzes 5%

*The instructor will announce during the first class meeting the number of tests and the chapters covered in each test.

Reasonable Accommodations for Students with Documented Disabilities

Mercer County Community College is committed to supporting all students in their academic and co-curricular endeavors. Each semester, a significant number of students document disabilities, which may require learning, sight, hearing, manual, speech, or mobility accommodations to ensure access to academic and co-curricular activities. The college provides services and reasonable accommodations to all students who need and have a legal entitlement to such accommodations.

Academic Integrity

ACADEMIC INTEGRITY: Academic integrity refers to the total quality of the search for knowledge which a student undertakes. A student will be guilty of violating academic integrity if he/she:

- A. knowingly represents the work of others as his/her own.
- B. uses or obtains unauthorized assistance in the execution of an academic work
- C. gives fraudulent assistance to another student.

For any single violation of any of the College's policies on Academic Integrity in this course, the student will receive a zero for the assignment AND the final course grade will be lowered by one full letter grade (for example, a B would become a C). For a second violation, the student will fail the course. In all cases, the Chair of the Academic Integrity Committee will be notified of the violation and the penalty imposed. When two (or more) violations of academic integrity are reported on a student, the Academic Integrity Committee (AIC) may impose disciplinary penalties beyond those imposed in this course. The student shall have the right to a hearing before the AIC or a designated AIC subcommittee.