

# ACC201 Intermediate Accounting I FALL 2008

## Course Information

<b>Organization</b>	Mercer County Community College
<b>Credits</b>	4
<b>Contact Hours</b>	4

## Description

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

## Textbooks

Spiceland, Sepe, Tomassini. *Intermediate Accounting*. Irwin/McGraw-Hill. **Edition:** 4th - Revised.

## Core Abilities

- 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 Outcomes

- A. 1.4 Students will logically and persuasively state and support orally and in writing their points of view or findings.
- B. 3.1 Students will identify a problem and analyze it in terms of its significant parts and the information needed to solve it.
- C. 3.2 Students will use appropriate library tools such as cataloging systems to access information in reference publications, periodicals, bibliographies and databases.
- D. 3.3 Students will use computers to access, analyze or present information, solve problems, and communicate with others.
- E. 4.1 Students will identify ethical implications of an issue or situation.
- F. 4.2 Students will analyze and evaluate the strengths and weaknesses of different perspectives on an ethical issue or a situation.
- G. 5.1 Students will translate quantifiable problems into mathematical terms and solve these problems using mathematical or statistical procedures.

## Competencies

- 1. **Discuss the environment and theoretical structure of financial accounting - Chapter One**  
Learning Objectives
  - a. Describe the function and primary focus of financial accounting.
  - b. Define GAAP and discuss the historical development of accounting standards.
  - c. Explain the purpose of the FASB's conceptual framework.
  - d. Describe the four basic assumptions underlying GAAP.

2. **Complete the accounting cycle - Chapter Two**  
Learning Objectives
  - a. Record transactions using the General Journal.
  - b. Identify and describe the different types of adjusting journal entries.
  - c. Prepare the four basic financial statements.
  - d. Describe the closing process
  
3. **Describe and prepare the balance sheet and related disclosures - Chapter Three**  
Learning Objectives
  - a. Describe the purpose of the balance sheet and its usefulness and limitations.
  - b. Explain the purpose of financial statement disclosures.
  - c. Identify and calculate the common liquidity and financing ratios used to assess risk.
  - d. Prepare a balance sheet.
  
4. **Describe and prepare the income statement and related disclosures - Chapter Four**  
Learning Objectives
  - a. Describe the purpose of the income statement.
  - b. Explain the difference between net income and comprehensive income.
  - c. Prepare an income statement.
  
5. **Discuss the measurement of income and analyze profitability - Chapter Five**  
Learning Objectives
  - a. Discuss the general objective of the timing of revenue recognition.
  - b. Apply the general criteria that must be satisfied before revenue can be recognized.
  - c. Identify and calculate the common ratios used to assess profitability
  
6. **Understand present value and future value concepts - Chapter Six**  
Learning Objectives
  - a. Explain the difference between simple and compound interest.
  - b. Compute the future value of a single amount and an annuity.
  - c. Compute the present value of a single amount and an annuity.
  
7. **Account for cash, accounts receivable, and notes receivable - Chapter Seven**  
Learning Objectives
  - a. Define what is meant by internal control.
  - b. Describe some key elements of an internal control system for cash.
  - c. Distinguish between the gross and net methods of accounting for cash discounts.
  - d. Describe the accounting treatments for uncollectible accounts receivable.
  - e. Explain the accounting treatment for short-term notes receivable.

8. **Describe the accounting for inventory measurement - Chapter Eight**

Learning Objectives

- a. Explain the difference between a perpetual inventory system and a periodic inventory system.
- b. Determine which physical quantities of goods and expenditures should be included in inventory.
- c. Discuss the factors affecting a company's choice of inventory methods.
- d. Explain the four methods used to determine the costs of ending inventory and the cost of goods sold.
- e. Determine ending inventory using dollar-value LIFO inventory method.

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

Learning Objectives

- a. Apply the lower-of-cost-or market rule used to value inventories.
- b. Estimate ending inventory and cost of goods sold using the gross profit method and the retail inventory method.
- c. Explain the appropriate accounting treatment required when a change in inventory method is made.
- d. Explain the appropriate accounting treatment required when an inventory error is discovered.

10. **Explain the acquisition and disposition of operational assets - Chapter Ten**

Learning Objectives

- a. Identify the costs included in the cost of operational assets.
- b. Calculate asset costs during a lump-sum purchase.
- c. Account for deferred payment contracts.
- d. Account for assets acquired in exchange for equity securities or through donation.
- e. Identify the items included in the cost of a self-constructed asset.
- f. Explain the difference in the accounting treatments of costs incurred to purchase intangible assets versus the costs incurred to develop intangible assets.

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

Learning Objectives

- a. Explain the concept of cost allocation.
- b. Determine the periodic depreciation using both time-based and activity-based methods.
- c. Calculate the periodic depletion of a natural resource.
- d. Calculate the periodic amortization of an intangible asset.
- e. Explain the appropriate accounting treatment when a change in an estimate has occurred or an error has occurred.
- f. Discuss the accounting treatment for repairs, maintenance, additions, improvements, and rearrangements of operational assets.

## ***Grading Information***

### **Grading Scale**

Tests	80%
Cases	15%
Class Work & Quizzes	5%

## ***Guidelines for Success***

### **Things to Know and Remember**

**ATTENDANCE:** Students are expected to attend all class meetings. In addition, students may be required to allow additional time to take tests in the college's testing center.

**TESTS:** Students are expected to take all tests at the time the tests are scheduled. Unless there are verifiable extenuating circumstances, approved by the instructor, no student will be allowed to make-up any missed test. Any missed test will result in a zero grade. All tests will be graded by the instructor.

**QUIZZES, HOMEWORK, PROJECTS:** Unannounced quizzes may be given during class time. NO MAKE-UP is allowed on a quiz. Out-of-class assignments must be completed and turned in on the date designated by the instructor. All projects must be typed and double-spaced. No handwritten assignments will be accepted.

**WITHDRAWALS:** If a student decides to discontinue attending the course, it is the student's responsibility to follow through and officially withdraw from the course before the withdrawal deadline date. Failure to do this may result in the student receiving an "F" grade for the course. Before withdrawing, discuss your concerns with your instructor.

**CLASSROOM CONDUCT:** It is students' responsibility to attend all of their classes. If they miss a class meeting for any reason, students are responsible for all content that is covered, for announcements made in their absence, and for acquiring any materials that may have been distributed in class. It is expected that students be on time for all their classes. If students walk into a class after it has begun, it is expected that they choose a seat close to where they entered the room so that they do not disrupt the class meeting.

Students are expected to follow ordinary rules of courtesy during class sessions. Engaging in private, side conversations during class time is distracting to other students and to the instructor. It is not appropriate to leave the class early without informing the instructor. Unless there is an emergency, leaving class and returning while the class is in session is not acceptable behavior. Disruptive behavior of any type, including sharpening pencils during class while someone is speaking, is not appropriate. Please turn off cell phones before the class begins. The college welcomes all students into an environment that creates a sense of community pride and respect; we are all here to work cooperatively and to learn together.

**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.