

ACC205 Office Accounting II

Course Information

Organization	Mercer County Community College
Course Number	ACC205
Credits	3

Catalog Description

A continuation of ACC106. Topics covered include: receivables; payables; merchandise inventory; plant and equipment; corporations; partnerships; and internal control

Course Competencies/Goals:

- A. Define the basic principles and concepts of accounting as they relate to practical accounting problems.
- B. Analyze a business transaction into its debit and credit elements.
- C. Perform horizontal, vertical analysis, and trend analysis to determine the profitability and liquidity of a company.
- D. Interpret various accounting data and appropriately apply basic principles of accounting to the data.
- E. After analyzing case study situations, recommend to management a possible account solution.

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 solve problems.
- Goal 9: Ethical Reasoning and Action: Students will understand ethical issues and situation.

MCCC Cores 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 situation.
- 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 and explain the formulation of accounting principles and reporting standards

Learning Objectives

- a. Identify, assess, and apply the assumptions that underlie current accounting principles and procedures. (Course Competencies A, D; General Education Goals 1,2; MCCC Core A, B)
- b. Discuss the modifying conventions that relate to accounting principles. (Course Competencies A, D; General Education Goals 1; MCCC Core A, B)

2. Explain the accounting for customers who do not pay

Learning Objectives

- a. Record the losses from uncollectible accounts receivable using the direct charge-off method and allowance method. (Course Competencies A,B, D; General Education Goals 1,2; MCCC Core A, B)
- b. Write-off uncollectible accounts after estimated losses have been recorded. (Course Competencies A,B, D; General Education Goals 1,2; MCCC Core A, B)
- c. Record the collection of accounts receivable written off using the direct charge-off and allowance methods. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- d. Properly classify accounts receivable on the financial statements. (Course Competencies A,B, D; General Education Goals 1,2; MCCC Core A, B)

3. Discuss the principles involved in the loaning or borrowing of capital

Learning Objectives

- a. Determine whether a business paper or instrument meets all the requirements of negotiability. (Course Competencies A,B, D; General Education Goals 1,2; MCCC Core A, B)
- b. Calculate the interest on a note. (Course Competencies A,B, D; General Education Goals 1,2; MCCC Core A, B)
- c. Determine the maturity date of a note. (Course Competencies A,B, D; General Education Goals 1,2; MCCC Core A, B)
- d. Record routine notes payable transactions. (Course Competencies A,B, D; General Education Goals 1,2; MCCC Core A, B)
- e. Record the discounting of a note payable to a bank. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- f. Record routine notes receivable transactions. (Course Competencies A,B, D; General Education Goals 1,2; MCCC Core A, B)
- g. Compute the proceeds from a discounted note receivable. (Course Competencies A,B, D; General Education Goals 1,2; MCCC Core A, B)

4. Apply the principles involved in the accounting for inventory

Learning Objectives

- a. Compute inventory cost by applying four commonly used costing methods. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- b. Explain the advantages and limitations of each method of inventory costing. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)

- c. Compute inventory value under the lower of cost or market rule. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- d. Estimate inventory cost using the gross profit method and the retail method. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)

5. **Examine the principles involved in the accounting for long-term assets**

Learning Objectives

- a. Compute the amount that should be recorded as an asset's cost. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- b. Compute and record depreciation using the straight-line, declining balance, sum-of-the years' digit, and units of output methods. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- c. Discuss the modified accelerated cost recovery system (MARCS) used for tax purposes. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- d. Compute and record depletion. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- e. Record the disposal of property, plant, and equipment. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- f. Compute and record the amortization of intangible assets. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)

6. **Discuss the information needed to account for partnerships**

Learning Objectives

- a. Explain the major advantages and disadvantages of a partnership. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- b. State the important provisions that should be included in a partnership agreement. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- c. Account for the formation of a partnership. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- d. Compute and record the division of net income or loss between partners. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- e. Prepare a statement of partners' equity. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- f. Account for changes of partners in a partnership: sale of interest, investment of a new partner, withdrawal of partner. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)

7. **Explore the options available to account for corporations**

Learning Objectives

- a. Explain the characteristics of a corporation. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- b. Describe the different types of stock. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- c. Compute the number of common shares to be issued on the conversion of convertible preferred stock. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- d. Compute dividends. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)

- e. Record the issuance of stock: par, no-par, discounts, premiums. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- f. Record transactions for stock subscriptions and organization costs. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)

8. **Apply the principles involved in accounting for corporate earnings and transactions**

Learning Objectives

- a. Estimate and record federal corporate income tax. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- b. Amortize organization costs. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- c. Record adjusting and closing entries for a corporation. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- d. Prepare an income statement for a corporation.
- e. Record the declaration and payment of cash dividends, stock dividends, and stock splits. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- f. Record the appropriation of retained earnings. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- g. Record the receipt of donated assets. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)

9. **Examine and discuss accounting concepts involved in long-term bonds**

Learning Objectives

- a. Explain the various types of bonds. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- b. Explain the advantages and disadvantages of using bonds as a method of financing. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- c. Record entries for bonds: issuance, payment of interest, accrual of interest, amortization of premium or discount, retirement of bonds, bond sinking funds, appropriations of retained earnings. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)

10. **Analyze comparative financial statements**

Learning Objectives

- a. Use vertical analysis and horizontal analysis techniques to analyze comparative financial statements. (Course Competencies A,C, D,E; General Education Goals 1, 9; MCCC Core A, B)
- b. Compute and interpret ratios measuring: profitability, operating results, and efficiency, financial strength, equity protection, current position, liquidity. (Course Competencies A,C, D, E; General Education Goals 1, 9; MCCC Core A, B)

Grading Information

Grading Scale

Tests	75 (Chapters 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 23)*
Project-Mini- Practice Set 3	15% (Course Competencies A,B,C, D, E; General Education Goals 1, 2, 9; MCCC Core A, B, C, F)
Quizzes/Class work	10%(Course Competencies A,B,C, D, E; General Education Goals 1, 2, 9; MCCC Core A, B, C, F)

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

Guidelines for Success

Attendance

Students are expected to attend all class meetings. In addition, students may be required to allow additional time to take tests in the Academic Testing Center.

Tests

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

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. 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 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 class early without having informed the instructor ahead of time. Unless there is an emergency, leaving class and returning while the class is in session is not acceptable behavior. Please turn off cell phones and pagers while class is in session. Disruptive behavior of any type, including sharpening pencils during class while someone is speaking, is not appropriate.

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: 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.

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.