ACC111 Principles of Financial Accounting – Student Handout

Course Information
Organization Mercer County Community College/ Business/STEM
Course Number ACC111
Credits 4
Lecture/Lab 4/1

Catalog Description
Fall 2018
Study of the accounting cycle and how accounting data impacts business decisions. Emphasis on understanding the “why” of accounting as well as the “how”.

Prerequisites
MAT034 or equivalent proficiency

Required Textbooks

Competencies
Accounting in Business - Chapter One
Learning Objectives
a. Purpose and importance of accounting
b. Users and uses of accounting
c. Ethics
d. General Accepted Accounting Principles
e. The Accounting Equation
f. Financial Statements
g. Return on Assets

Accounting for Business Transactions - Chapter Two
Learning Objectives
a. Describe an account and its use in recording transactions
b. Describe a ledger and a chart of accounts
c. Define debits and credits and explain double-entry accounting
d. Journalize and post entries
e. Prepare a trial balance
f. Debt ratio
Adjusting Accounts for Financial Statements- Chapter Three

Learning Objectives

a. Explain the importance of periodic reporting  
b. Prepare and explain adjusting entries  
c. Explain and prepare an adjusted trial balance  
d. Prepare financial statements  
e. Describe and prepare closing entries  
f. Explain and prepare a post-closing trial balance  
g. Explain the elements of a classified balance sheet  
h. Current ratio

Accounting for Merchandising Operations - Chapter Four

Learning Objectives

a. Describe merchandising operations and identify the components of the income statement  
b. Identify and explain the inventory asset and cost flows  
c. Record merchandise purchases using a perpetual inventory system  
d. Record merchandise sales using a perpetual inventory system  
e. Record adjusting entries and closing entries  
f. Prepare a multiple step income statement  
g. Acid-test Ratio

Inventories and Cost of Sales- Chapter Five

Learning Objectives

a. Compute inventory using perpetual inventory  
b. Inventory Turnover  
c. Days’ Sales in Inventory  
d. Compute the lower of cost or market  
e. Estimate inventory using the Gross Profit Method

Cash, Fraud, and Internal Controls - Chapter Six

Learning Objectives

a. Define Internal Control and its principles  
b. Discuss the limitations of Internal Control  
c. Define Cash and Cash Equivalents and how to report  
d. Use the bank statement to complete a reconciliation  
e. Days’ Sales uncollected
Accounting for Receivables - Chapter Seven
Learning Objectives

a. Describe accounts receivable, how they occur and how they are recorded
b. Apply the direct write-off method to accounts receivable
c. Apply the allowance method to accounts receivable, using the percent of sales, percent of receivables, and aging method to estimate bad debts
d. Describe a note receivable
e. Compute maturity and interest
f. Record Notes Receivable
g. Disposal of Receivables
h. Accounts receivable turnover

Accounting for Long-Term Assets – Chapter Eight
Learning Objectives

a. Define plant assets and determine cost
b. Compute and record depreciation: straight line, Units of Production, Declining Balance methods
c. Account for partial year depreciation
d. Account for changes in estimates
e. Distinguish between revenue and capital expenditures
f. Account for disposal of plant assets: discarding and selling
g. Account for natural resources: cost determination and depletion
h. Account for intangible assets: cost determination and amortization
i. Total asset turnover

Accounting for Current Liabilities – Chapter Nine
Learning Objectives

a. Define current liabilities
b. Sales Tax Payable
c. Unearned Revenues
d. Short-term Notes Payable
e. Compute and record employee payroll
f. Compute and record employer payroll expenses
g. Account for estimated liabilities: vacation benefits, bonus plans, warranty liabilities
h. Define contingent liabilities
i. Compute the times interest earned ratio
Accounting for Long-Term Liabilities – Chapter Ten
Learning Objectives

a. Compare bond financing and stock financing
b. Compute bond prices – Appendix 10A
c. Prepare entries for issuing bonds at par
d. Record the retirement of bonds
e. Prepare entries for installment notes payable and mortgage notes payable
f. Compute the debt-to-equity ratio

Corporate Reporting and Analysis – Chapter Eleven
Learning Objectives

a. Identify the characteristics of corporations and their organization
b. Basics of capital stock
c. Record the issuance of common stock
d. Record transactions for dividends and stock splits
e. Record the issuance of preferred stock
f. Explain the difference between cumulative and noncumulative preferred stock
g. Record the purchase and sale of treasury stock
h. Earnings per share, price-earnings ratio, dividend yield, book value per common share

Grading Information
Grading Scale

<table>
<thead>
<tr>
<th>Tests</th>
<th>Chapters 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 (3 to 4)*</th>
<th>60%</th>
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<tbody>
<tr>
<td>Written</td>
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<tr>
<td>Projects</td>
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<tr>
<td>Quizzes/Class</td>
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<tr>
<td>Final Exam</td>
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<td>20%</td>
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*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.

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.