

ACC205 Office Accounting II – Administrative Outline

Course Information

Organization	Mercer County Community College
Course Number	ACC205
Credits	3
Contact Hours	3

Catalog Description

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

Prerequisite

ACC106 with a minimum C grade

Revised: Spring 2021

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 the proper accounting for credit customers who do not pay**

Learning Objectives

- a. Apply the allowance method of accounting for uncollectible accounts using the percentage of sales and the percentage of accounts receivable methods. (Course Competencies A, D; General Education Goals 1,2; MCCC Core A, B)
- b. Prepare journal entries to write off an uncollectible account. (Course Competencies A, D; General Education Goals 1; MCCC Core A, B)

2. **Explain and account for Notes and interest earned or expensed.**

Learning Objectives

- a. Describe the characteristics of a promissory note. (Course Competencies A, B, D; General Education Goals 1,2; MCCC Core A, B)
- b. Calculate interest on notes and determine the due date. (Course Competencies A, B, D; General Education Goals 1,2; MCCC Core A, B)
- c. Account for notes receivable transactions and accrued interest. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)
- d. Account for notes payable transactions and accrued interest. (Course Competencies A, B, D; General Education Goals 1,2; MCCC Core A, B)

3. **Describe the accounting for long-term assets**

Learning Objectives

- a. Determine the cost of property, plant, equipment. (Course Competencies A, B, D; General Education Goals 1,2; MCCC Core A, B)
- b. Explain the nature and purpose of depreciation for financial accounting purposes. (Course Competencies A, B, D; General Education Goals 1,2; MCCC Core A, B)
- c. Compute depreciation using the straight-line, declining balance, sum-of-the-years digits, and units of production methods. (Course Competencies A, B, D; General Education Goals 1,2; MCCC Core A, B)
- d. Account for repairs, maintenance, additions, improvements, and replacements to plant and equipment. (Course Competencies A, B, D; General Education Goals 1,2; MCCC Core A, B)
- e. Account for the disposition of property, plant, and equipment. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)
- f. Explain the nature or, purpose of, and the accounting for depletion. (Course Competencies A,B, D; General Education Goals 1,2; MCCC Core A, B)
- g. Explain the nature of and accounting for intangible assets. (Course Competencies A, B, D; General Education Goals 1,2; MCCC Core A, B)

4. **Apply the principles involved in accounting for partnerships**

Learning Objectives

- a. Describe the various types of partnerships, their characteristics, their agreements. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)
- b. Discuss the advantages and disadvantages of partnerships. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)
- c. Prepare entries for the initial investments of partners. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)
- d. Explain how partner are compensated and account for the allocation of net income. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)
- e. Prepare financial statements for partnerships. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)
- f. Describe the actions that result in the dissolution of partnerships and account for the dissolution. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)
- g. Account for the liquidation of a partnership. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)

5. **Discuss and account for the organization of a corporation and the issuance of capital stock**

Learning Objectives

- a. Describe the characteristics, formation, and organization of a corporation. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)
- b. Explain stockholder's equity and the types of capital stock, and compute dividends on preferred stock and common stock. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)
- c. Account for capital stock transactions. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)
- d. Prepare the stockholder's equity section of a corporate balance sheet. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)

6. **Discuss and account for corporate taxes, earnings, distributions and the retained earnings statement**

Learning Objectives

- a. Explain and account for corporate income taxes. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)
- b. Explain and discuss the use of the retained earnings statement. (Course Competencies A,B, D; General Education Goals 1; MCCC Core A, B)
- c. Account for dividends and stock splits. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)
- d. Account for the appropriations of retained earnings. (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. Prepare a retained earnings statement. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)

7. **Discuss the use of bonds to raise capital**

Learning Objectives

- a. Describe the types of bonds and how their sales price is determined. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)
- b. Account for bonds issued at face value, at a premium, at a discount. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)
- c. Account for bond redemption (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)
- d. Discuss bond sinking funds. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)

8. **Explain the uses of and prepare a cash flow statement.**

Learning Objectives

- a. Explain the purpose of the cash flow statement. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)
- b. Define and give examples of operating, investing, and financing activities. (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 a statement of cash flows using the indirect method. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)
- e. Interpret the statement of cash flows. (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)

9. **Analyze the financial statements of a corporation.**

Learning Objectives

- a. Perform horizontal and vertical analysis. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)
- b. Define and compute liquidity measures, activity measures, profitability measures, leverage measures. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)
- c. Discuss the limitations of financial statement analysis. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)

10. **Explain the accounting for a professional service business:**

Learning Objectives

- a. Explain the differences between the modified cash and accrual bases of accounting. (Course Competencies A, C, D, E; General Education Goals 1, 9; MCCC Core A, B)
- b. Describe the special records for a professional service business. (Course Competencies A, C, D, E; General Education Goals 1, 9; MCCC Core A, B)
- c. Explain how to use a combination journal. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)
- d. Prepare a worksheet, financial statements, and adjusting and closing entries for a professional service business. (Course Competencies A, B, D; General Education Goals 1; MCCC Core A, B)

Grading Information

Grading Scale

Tests	75 (Chapters 16, 17, 18, 19, 20, 21, 22, 23, 24, module) *
Comprehensive Problem 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.