PELLISSIPPI STATE TECHNICAL COMMUNITY COLLEGE
MASTER SYLLABUS

PRINCIPLES OF ACCOUNTING II
ACC 2120

Class Hours:  3.0                      Credit Hours:  3.0
Laboratory Hours:  0.0                  Date Revised: Fall 1999

Catalog Course Description:

A course which includes measuring cash flow, cost accounting systems, budgetary control and standard costing, cost and revenue relationships for management, management reports and special analysis, cash flow and financial statement analysis.

Entry Level Standards:

The student must be able to read and comprehend at the college level. The student must have a working knowledge of college-level algebra and business mathematics.

Prerequisites:

ACC 2110, computer literacy course

Textbook(s) and Other Reference Materials Basic to the Course:

Required:
Accounting Paper; 82" x 11", 2-column and 4-column
Diskettes, 32 inch, two (2)
Supplement packet
Calculators - Programmable calculators (TI 85, etc.) may not be used on tests or quizzes in this course. In addition, no sharing of calculators will be allowed during tests or quizzes.
Recommended:
Self Study Problems and Solutions, Vol. 2 to accompany text.

I. Week/Unit/Topic Basis:

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
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<tbody>
<tr>
<td>1</td>
<td>Long-Term Liabilities (pp. 651-657, 658-663, 671, 807-808)</td>
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<tr>
<td>2-3</td>
<td>Statement of Cash Flows (pp. 731-750)</td>
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<td>4</td>
<td>Financial Statement Analysis (pp. 789-797, 811-812)</td>
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<td>5-6</td>
<td>Managerial Accounting (pp. 839-854)</td>
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<td>7-8</td>
<td>Cost-Volume-Profit Relationships (pp. 961-977, 978-981)</td>
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8-9  Budgetary Planning (pp. 1001-1012, 1014-1017)
10-11 Job Order Cost Accounting (pp. 879-897)
12  Process Cost Accounting (pp. 917-929)
13  Budgetary Control (pp. 1038-1050)
14  Performance Evaluation through Standard Costs (pp. 1081-1098)
15  Incremental Analysis (pp. 1123-1132)
16  Final Exam

II. Course Objectives*:

A. Develop a basic understanding of bonds payable. I, II, VI, VII
B. Understand the statement of cash flows. I, II, VI, VII
C. Develop a basic understanding of techniques used to analyze financial information. I, II, VI, VII, VIII
D. Develop a basic understanding of accounting for manufacturing operations. I, II, VI, VII
E. Understand the effects that volume of activity has on costs and profits, as well as methods of determining and analyzing these effects. II, VI, VII
F. Understand the use of cost accounting systems and techniques. I, II, VI, VII
G. Understand how accounting information is used by managers to plan, evaluate performance, and make decisions. I, II, III, V, VII, VIII

*Roman numerals after course objectives reference goals of the Computer Accounting program.

III. Instructional Processes*:

Students will:

1. Exhibit professional behavior by attending class regularly, arriving punctually with the appropriate materials, and being prepared for active class participation each day. Personal Development Outcome, Transitional Strategy

2. Use spreadsheet software on a personal computer. Technological Literacy Outcome, Information Literacy Outcome

3. Strengthen their analytical skills by using a variety of decision-making techniques to evaluate financial information. Problem Solving and Decision Making Outcome, Numerical Literacy Outcome

4. Work in small groups with other students to arrive at group solutions to assigned problems. Communication Outcome, Problem Solving and Decision Making Outcome, Active Learning Strategy, Transitional Strategy

5. Refine their reading skills and expand their vocabularies through completion of assigned readings. Communication Outcome
Strategies and outcomes listed after instructional processes reference Pellissippi State’s goals for strengthening general education knowledge and skills, connecting coursework to experiences beyond the classroom, and encouraging students to take active and responsible roles in the educational process.

IV. Expectations for Student Performance*:

Upon successful completion of this course, the student should be able to:

1. Explain why bonds are issued and their major characteristics. A, C
2. Prepare entries for issuance of bonds, interest expense, and amortization of premiums or discounts. A
3. Show the financial statement presentation of bonds payable. A
4. Determine debt-to-total-assets ratio. A, C
5. Explain the primary purpose of the statement of cash flows. B
6. Distinguish between operating, investing, and financing activities. B, C
7. Prepare a simple statement of cash flows using the indirect method. B
8. Explain and perform horizontal analysis. C, G
9. Describe and perform vertical analysis. C, G
10. Describe the distinguishing features of managerial accounting. D
11. Identify three broad functions of management. G
12. Describe the three elements of manufacturing cost and give examples of each. D
13. Explain the difference between product and period costs and give examples of each. D, G
14. Explain the difference between financial statements for merchandising and manufacturing firms. D
15. Prepare a schedule of cost of goods manufactured and sold. D
16. Explain the characteristics of variable, fixed, and mixed costs. D, E
17. Explain the meaning and importance of the relevant range. E, G
18. Use the high-low method to separate a mixed cost into its fixed and variable elements. E, G
19. State the assumptions made in cost-volume-profit analysis. E
20. Explain and calculate the contribution margin and contribution margin ratio. E, G
21. Determine the break-even point and required sales to earn a target net income in units and in dollars. E
22. Explain and calculate the margin of safety and margin of safety ratio. E
23. Prepare a simple cost-volume profit income statement. G
24. Explain the benefits of budgeting and the essentials of effective budgeting.  G
25. Identify the budgets that make up the master budget.  G
26. Explain and prepare a sales budget, production budget, materials budget, and cash budget.  E,G
27. Explain the characteristics of a job order cost accounting system.  D,F
28. Describe the flow of costs in a job order costing system.  D,F
29. Explain the nature and importance of a job cost sheet.  D,F,G
30. Compute a predetermined overhead rate and use this rate to apply overhead to product cost.  D,F,G
31. Prepare journal entries to record manufacturing transactions using a perpetual system.  D,F
32. Determine overapplied or underapplied overhead at the end of an accounting period.  D,F
33. Explain the characteristics of and flow of costs through a process cost accounting system.  D,F
34. Compute physical and equivalent units of production.  D,F
35. Compute production cost per unit and assign costs to units completed and ending inventory.  D,F
36. Prepare a production cost report.  F
37. Explain the concept of budgetary control.  G
38. Explain the difference between static and flexible budgeting.  E,G
39. Prepare a budget report based on a flexible budgeting concept.  E,G
40. Distinguish between standard and a budget.  D,F,G
41. Identify the advantages of standard costs.  G
42. Describe how standards are set.  D,G
43. Calculate variances for direct materials, direct labor, and manufacturing overhead.  D,E,F,G
44. Identify the steps in management's decision making process.  G
45. Describe the concept of incremental analysis.  G
46. Identify relevant costs and explain their use in decision making.  E,G
47. Use incremental analysis to evaluate two or more of the following decision making situations:  make or buy, special order, sell or process further, retaining or replacing equipment, evaluating profitability of a segment, and determining allocation of limited resources.  E,G
48. Load spreadsheet software and open a file.  H
49. Enter and format text and formulas in financial statements and schedules in a spreadsheet.

50. Save and print a spreadsheet file.

*Letters after performance expectations reference the course objectives listed above.

V. Evaluation:

A. Testing Procedures:

   The instructor's policy on exams, quizzes, homework, attendance, and grades will be provided in a supplement to the course syllabus. A minimum of four major exams is recommended.

B. Laboratory Expectations:

   Computer based homework problems will be introduced in class sessions held in the computer lab. The student is expected to complete these assignments as specified by the instructor.

C. Field Work:

   None

D. Other Evaluation Methods:

   This information, if applicable, will be provided by the instructor in full detail during the first week of class via syllabus supplement.

E. Grading Scale:

   92 - 100  A
   89 - 91  B+
   82 - 88  B
   79 - 81  C+
   72 - 78  C
   65 - 71  D
   Below 65  F

VI. Policies:

   Attendance Policy:

   Pellissippi State Technical Community College expects students to attend all scheduled instructional activities. As a minimum, students in all courses must be present for at least 75 percent of their scheduled class and laboratory meetings in order to receive credit for the course.