PELLISSIPPI STATE TECHNICAL COMMUNITY COLLEGE
MASTER SYLLABUS

PRINCIPLES OF ACCOUNTING I
ACC 2110

Class Hours: 3.0  Credit Hours: 3.0
Laboratory Hours: 0.0  Date Revised: Spring 02

* Intended for transfer.

Catalog Course Description:

A study of financial accounting theory and practice. Includes analyzing and preparing financial statements for sole proprietorships, corporations, and merchandising firms. Also includes accounting for cash, receivables, inventories, plant and equipment, and current liabilities and payroll. Emphasis is placed on analyzing, preparing, and reporting financial information.

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:

None

Corequisite:

College-level math

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

Required:
2. Accounting Paper, 8½” x 11”, 2-column
3. Calculator

Recommended:
1. Study Guide to accompany Text

Note: Programmable calculators (TI 85, etc.) may not be used on exams or quizzes in this course. In addition, no sharing of calculators will be allowed during exams or quizzes.

I. Week/Unit/Topic Basis:

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
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<tbody>
<tr>
<td>1</td>
<td>Business Activity and Financial Statements</td>
</tr>
<tr>
<td>2</td>
<td>The Recording Process: Recording Transactions</td>
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<tr>
<td>3</td>
<td>Adjusting the Accounts (Omit Appendix)</td>
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</tbody>
</table>
Completion of the Accounting Cycle (pp. 132-143, 140-147, 148, 151-160)

Accounting for Merchandising Operations (pp. 182-194, 197-205)

Inventories (pp. 222-243, 249, 250-252)

Internal Control and Cash (pp. 316-329, 333-344)

Accounting for Receivables (pp. 360-371, 374-383)

Plant Assets, Natural Resources, and Intangible Assets (pp. 398-415, 417-428)

Current Liabilities and Payroll Accounting (pp. 444-467, 470-472)

Corporations: Organization, and Capital Stock Transactions (pp. 558-576, 578-582, 584-586)

Corporations: Dividends, Retained Earnings, and Income Reporting (pp. 600-620, 622-624)

Final Exam

II. Course Objectives*:

A. Develop an understanding of basic accounting and simple financial statements. I, III, IV, V, VI, VII

B. Apply generally accepted accounting principles to a sole proprietorship, a corporation and a merchandising business. I, III, V, VI, VII, VIII

C. Demonstrate a basic knowledge of the accounting cycle and measurement of business income. I, III, V

D. Develop and understanding of inventories, cost flow assumptions, and their effects on income, assets, and cash flows. I, III, V

E. Exhibit and understanding of internal control, cash, and receivables. I, III, V, VI, VIII

F. Develop an understanding of accounting for property, plant, and equipment, natural resources, and intangible assets. I, III, V

G. Demonstrate knowledge of current liabilities and payroll accounting. I, III, V, VIII

H. Acquire an understanding of accounting for stockholders’ equity of a corporation. I, V

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

III. Instructional Processes*:

Students will:

1. Practice elements of the work ethic such as preparedness, punctuality, honesty, cooperation, dependability, contribution, and good manners. Personal Development Outcome, Transitional Strategy

2. Discuss generally accepted accounting principles and how economic events are identified, recorded, and communicated to internal and external user groups. Communication Outcome,
Problem Solving and Decision Making Outcome, Numerical Literacy Outcome, Information Literacy Outcome, Active Learning Strategy

3. Use critical thinking skills to interpret and evaluate the financial statements of existing companies and make informed judgements about these statements to facilitate in decision making and problem solving strategies.  

Problem Solving and Decision Making Outcome, Numerical Literacy Outcome, Information Literacy Outcome

4. Work in small groups in class 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, Information Literacy Outcome

6. 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

7. Prepare and discuss individual written assignments.  Communication Outcome, Problem Solving and Decision Making Outcome, Numerical Literacy Outcome, Information Literacy 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 what accounting is.  A

2. Identify the users and uses of accounting.  A

3. Understand why ethics is a fundamental business concept.  A

4. Explain the meaning of generally accepted accounting principles and the cost principle.  A

5. Explain the meaning of the monetary unit assumption and the economic entity assumption.  A

6. State the basic accounting equation, and explain the meaning of assets, liabilities, and owner’s equity.  A, B

7. Analyze the effects of business transactions on the basic accounting equation.  A, B

8. Understand the following financial statements and how they are prepared: income statement, owner’s equity statement, and balance sheet.  A, B

9. Explain what an account is and how it helps in the recording process.  A, B

10. Define debits and credits and explain how they are used to record business transactions.  A, B

11. Identify the basic steps in the recording process.  A, B
12. Explain what a journal is and how it helps in the recording process. A, B
13. Explain what a ledger is and how it helps in the recording process. A, B
14. Explain what posting is and how it helps in the recording process. A, B
15. Prepare a trial balance and explain its purposes. A, B
16. Explain the time period assumption. C
17. Explain the accrual basis of accounting. C
18. Explain why adjusting entries are needed. C
19. Identify the major types of adjusting entries. C
20. Prepare adjusting entries for prepayments. C
21. Prepare adjusting entries for accruals. C
22. Describe the nature and purpose of an adjusted trial balance. C
23. Explain the process of closing the books. C
24. Describe the content and purpose of a post-closing trial balance. C
25. State the required steps in the accounting cycle. C
26. Identify the sections and contents of a classified balance sheet. A
27. Identify the differences between a service enterprise and a merchandiser. B
28. Explain the entries for purchases under a perpetual inventory system. B, D
29. Explain the entries for sales revenues under a perpetual inventory system. B, D
30. Distinguish between a multiple-step and a single-step income statement. B, D
31. Explain the computation and importance for gross profit. B, D
32. Describe the steps in determining inventory quantities. D
33. Describe the accounts used to record purchases and sales of inventory under a periodic inventory system. D
34. Determine cost of goods sold under a periodic inventory system. D
35. Identify the unique features of the income statement for a merchandiser using a periodic inventory system. D
36. Explain the basis of accounting for inventories, and describe the inventory cost flow methods. D
37. Explain the financial statement and tax effects of each of the inventory cost flow methods. D
38. Indicate the effect of inventory errors on the financial statements. D
39. Compute and interpret inventory turnover. D
40. Estimate inventory using the gross profit method [Appendix 6B]. D
41. Define internal control. E
42. Identify principles of internal control. E
43. Explain the applications of internal control principles to cash receipts. E
44. Explain the applications of internal control principles to cash disbursements. E
45. Indicate the control features of a bank account. E
46. Prepare a bank reconciliation. E
47. Explain the reporting of cash. E
48. Identify the different types of receivables. E
49. Explain how accounts receivable are recognized in the accounts. E
50. Distinguish between the methods and bases used to value accounts receivable. E
51. Compute the maturity date of and interest on notes receivable. E
52. Explain how notes receivable are recognized in the accounts. E
53. Describe how notes receivable are valued. E
54. Describe the entries to record the disposition of notes receivable. E
55. Explain the statement presentation and analysis of receivables. E
56. Describe the application of the cost principle to plant assets. F
57. Explain the concept of depreciation. F
58. Compute periodic depreciation using different methods. F
59. Describe the procedure for revising periodic depreciation. F
60. Explain how to account for the disposal of a plant asset through retirement or sale. F
61. Compute periodic depletion of natural resources. F
62. Describe and give examples of intangible assets. F
63. Indicate how plant assets, natural resources, and intangible assets are reported. F
64. Explain a current liability and identify the major types of current liabilities. G
65. Describe the accounting for notes payable. G

66. Explain the accounting for other current liabilities. G

67. Explain the financial statement presentation and analysis of current liabilities. G

68. Describe the disclosure requirements for contingent liabilities. G

69. Discuss the objectives of internal control for payroll. G

70. Compute and record the payroll for a pay period. G

71. Describe and record employer payroll taxes. G

72. Identify the major characteristics of a corporation. H

73. Differentiate between paid-in capital and retained earnings. H

74. Record the issuance of common stock. B, H

75. Explain the concepts of treasury stock and how it is presented on the balance sheet. B, H

    Differentiate preferred stock from common stock. H

76. Prepare a stockholders’ equity section of the balance sheet. B, H

77. Prepare the entries for cash dividends. B, H

78. Explain the effect on stockholders’ equity related to stock dividends and stock splits. B, H

79. Identify the items that are reported in a retained earnings statement. B, H

80. Describe the form and content of corporation income statements. B, H

81. Indicate the statement presentation of material items not typical of regular operation. B, H

82.

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

V. Evaluation:

A. Testing Procedures:

   The instructor’s policies on exams, quizzes, homework, attendance, and grades will be provided on a supplement to the course syllabus. A minimum of four (4) major exams is recommended.

B. Laboratory Expectations:

   N/A
C. Field Work:

N/A

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:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>A</td>
<td>92 - 100</td>
</tr>
<tr>
<td>B+</td>
<td>89 - 91</td>
</tr>
<tr>
<td>B</td>
<td>82 - 88</td>
</tr>
<tr>
<td>C+</td>
<td>79 - 81</td>
</tr>
<tr>
<td>C</td>
<td>72 - 78</td>
</tr>
<tr>
<td>D</td>
<td>65 - 71</td>
</tr>
<tr>
<td>F</td>
<td>0 - 64</td>
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VI. Policies:

A. 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. NOTE: No differentiation is noted for excused/unexcused absences. These will be treated as an absence.

B. Academic Dishonesty:

Plagiarism, cheating, and other forms of academic dishonesty are prohibited. Students guilty of academic misconduct, either directly or indirectly through participation or assistance, are immediately responsible to the instructor of the class. In addition to other possible disciplinary sanctions which may be imposed through the regular Pellissippi State procedures as a result of academic misconduct, the instructor has the authority to assign an F or a zero for the exercise or examination or to assign an F in the course.