INTERMEDIATE ACCOUNTING II
ACC 2220

Class Hours: 3.0  Credit Hours: 3.0
Laboratory Hours: 0.0  Revised: Spring 07

NOTE: This course is not designed for transfer credit.

Catalog Course Description:
A continuation of the study of financial accounting theory and practice, including liabilities and stockholder's equity, cash flow measurement and reporting, issues related to income measurement and the preparation and analysis of financial statements.

Entry Level Standards:
The student must have an understanding of generally accepted accounting principles and financial statements.

Prerequisite:
ACC 2215 or consent of instructor

Textbook(s) and Other Course Materials:
Required:
3. Accounting paper, 2-column and 4-column
4. Calculator-Programmable calculators are not allowed on quizzes or exams.

Recommended:
Study Guide to accompany text

I. Week/Unit/Topic Basis:

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<th>Week</th>
<th>Topic</th>
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<td>1-2</td>
<td>Partnerships</td>
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<td>3-4</td>
<td>Statement of Cash Flows</td>
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<td>5-6</td>
<td>Current Liabilities and Contingencies</td>
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<td>7-8</td>
<td>Long-term Liabilities</td>
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<td>9</td>
<td>Contributed Capital</td>
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<td>10</td>
<td>Retained Earnings</td>
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<td>11</td>
<td>Additional Aspects of Financial Reporting</td>
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II. Course Objectives*:

A. Develop a knowledge of accounting for partnerships. I, III, V
B. Demonstrate knowledge of the statement of cash flows. I, II, III, IV, V, VIII
C. Apply the proper accounting techniques to both current and long-term liabilities. I, II, III, IV, V, VIII
D. Properly account for the stockholders’ equity of a corporation. I, III, IV, V
E. Demonstrate knowledge of appropriate disclosure under generally accepted accounting principles.
F. Apply proper accounting treatment to the recognition of revenue. I, II, III, IV, V, VIII
G. Demonstrate a basic knowledge of accounting for leases. I, II, III, V, VIII
H. Use appropriate techniques to analyze the financial statements of a company. I, II, III, IV, V, VIII

*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. Social Behavioral Sciences Outcome
2. Discuss generally accepted accounting principles and how economic events are identified, recorded, and communicated to internal and external user groups. Communication Outcome, Mathematics Outcome, Active Learning Strategy
3. Use critical thinking skills to interpret and evaluate the financial statements of existing companies and make informed judgments about these statements to facilitate in decision making and problem solving strategies. Mathematics Outcome, Technological Literacy Outcome, Active Learning Strategies
4. Participate in course assignments involving team discussions. Communication Outcome, Social/Behavioral Sciences Outcome, Mathematics Outcome, Transitional Strategies, Active Learning Strategies
5. Refine their reading skills and expand their vocabularies through completion of assigned readings. Communication Outcome
6. Discuss how internal, and primarily external, user groups interpret financial accounting data and make informed judgments about this data to facilitate decision making and problem
solving strategies. *Communication Outcome, Mathematics Outcome, Active Learning Strategies*

7. Prepare and discuss individual written assignments. *Communication Outcome, Mathematics Outcome*

8. Discuss ethical issues and their impact on corporate financial statements. *Communication Outcome, Social/Behavioral Sciences Outcome, Mathematics Outcome, Active Learning Strategies*

*Strategies and outcomes listed after instructional processes reference TBR’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. Identify the characteristics of the partnership form of business organization.  
2. Explain the accounting entries for the formation of a partnership. 
3. Identify the bases for dividing net income or net loss. 
4. Describe the form and content of partnership financial statements. 
5. Define operating, investing, and financing activities. 
6. Know the categories of inflows and outflows of cash. 
7. Classify cash flows as operating, investing, or financing. 
8. Explain the direct and indirect methods for reporting operating cash flows. 
9. Prepare a simple statement of cash flows using the indirect method. 
10. Compute and disclose interest paid and income taxes paid. 
11. Explain the characteristics of a liability. 
13. Account for warranty costs. 
14. Explain the terms “probable,” “reasonably possible,” and “remote” related to contingencies. 
15. Record and report a loss contingency. 
16. Disclose a gain contingency. 
17. Explain the reasons for issuing long-term liabilities. 
18. Understand the characteristics of bonds payable.
19. Record the issuance of bonds. C, G
20. Amortize discounts and premiums under the straight-line method. C
21. Compute the selling price of bonds. C
22. Amortize discounts and premiums under the effective interest method. C
23. Explain extinguishment of liabilities. C
24. Understand the disclosure of long-term liabilities. C
25. Explain the corporate form of organization. D
26. Know the rights and terms that apply to capital stock. D
27. Account for the issuance of capital stock. D
28. Describe a compensatory share option plan. D
29. Describe the characteristics of preferred stock. D
30. Know the components of contributed capital. D
31. Understand the accounting for treasury stock. D
32. Record the declaration and payment of cash dividends. D
33. Explain the difference in accounting for small and large stock dividends. D
34. Understand how to report accumulated other comprehensive income. D
35. Prepare a statement of changes in stockholders’ equity. D
36. Describe an auditor’s report. E
37. Understand the meaning of an operating segment. E
38. Describe the disclosures in a segment report. E
39. Explain interim reporting. E
40. Describe the main sections of an annual report. E
41. Describe the disclosure required in the corporate proxy statement for executive compensation. E
42. Understand the revenue recognition alternatives. F
43. Explain revenue recognition at the time of sale, during production, and at the time of cash receipt. F
44. Explain the conceptual issues regarding revenue recognition alternatives. F
45. Describe the alternative revenue recognition methods. F

46. Account for revenue recognition prior to the period of sale, including the percentage-of-completion and completed-contract methods. F

47. Account for revenue recognition after the period of sale, including the installment and cost recovery methods. F

48. Account for revenue recognition delayed until a future event occurs. F

49. Explain the advantages of leasing. G

50. Understand key terms related to leasing. G

51. Explain how to classify leases of personal property. G

52. Account for a lessee’s operating and capital leases. G

53. Understand disclosures by the lessee. G

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

V. Evaluation:

A. Testing Procedures:

Students are evaluated primarily on the basis of tests. Four major exams are recommended. Exams may include multiple choice questions, short answer questions, and exercises/problems.

B. Laboratory Expectations:

N/A

C. Field Work:

N/A

D. Other Evaluation Methods:

Additional evaluation will be accomplished using homework, in-class exercises, written cases, a financial reporting project, a team Powerpoint presentation, and class participation. Details regarding these methods will be provided on the first day of class on a syllabus supplement.

E. Grading Scale:

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

C. Accommodations for disabilities:

    If you need accommodations because of a disability, if you have emergency medical information to share, or if you need special arrangements in case the building must be evacuated, please inform the instructor immediately. Please see the instructor privately after class or in his/her office. Students must present a current accommodation plan from a staff member in Services for Students with Disabilities (SSWD) in order to receive accommodations in this course. Services for Students with Disabilities may be contacted by going to Goins 127 or 131 or by phone: 694-6751(Voice/TTY) or 539-7153.

D. Other Policies