PELLISSIPPI STATE COMMUNITY COLLEGE
MASTER SYLLABUS

PRINCIPLES OF ACCOUNTING I
ACC 2000

Class Hours: 3.0  Credit Hours: 3.0
Laboratory Hours: 0.0  Date Revised: Fall 09

* Intended for transfer.

Catalog Course Description:

A survey of financial and managerial accounting. Financial accounting topics include structure of financial statements and accounting for merchandising operations, cash, receivables, inventories, plant and equipment, liabilities and equity. Managerial accounting topics include analysis of financial statements, introduction to managerial accounting, cost behavior and CVP analysis, and budgeting.

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 Course Materials:

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

Note: Programmable calculators (TI 83 plus, etc.) and cell phones 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>Introduction and Financial Statements</td>
</tr>
<tr>
<td>2</td>
<td>Accrual vs. Cash Basis Accounting</td>
</tr>
<tr>
<td>3</td>
<td>Analyzing Transactions</td>
</tr>
<tr>
<td>4</td>
<td>Merchandising Operations</td>
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</tbody>
</table>
II. Course Objectives*:

A. Develop an understanding of the structure and analysis of basic financial statements. I, III, IV, V
B. Demonstrate an understanding of operations of a merchandising business. I, III, IV, V
C. Develop an understanding of inventories, cost flow assumptions, and their effects on income, assets, and cash flows. I, III, IV, V
D. Exhibit an understanding of internal control, cash, and receivables. I, III, IV, V
E. Develop an understanding of accounting for property, plant, and equipment, natural resources, and intangible assets. I, III, IV, V
F. Demonstrate knowledge of accounting for liabilities. I, III, IV, V
G. Acquire an understanding of accounting for stockholders’ equity of a corporation. I, III, IV, V
H. Develop an understanding of managerial accounting. I, III, IV, V
I. Demonstrate an understanding of cost behavior patterns and cost-volume-profit analysis. I, III, VI, V
J. Exhibit an understanding of the budgeting process, standard costing, and elements of the master budget. I, III, VI, V

*Roman numerals after course objectives reference goals of the Business Administration 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 how economic events are identified and communicated to internal and external user groups. Communication Outcome, Mathematics Outcome, Technological Literacy
Outcome, Active Learning Strategy

3. Work in small groups in class to arrive at group solutions to assigned problems.  
   Communication Outcome, Mathematics Outcome, Active Learning Strategy, Transitional Strategy

4. Refine their reading skills and expand their vocabularies through completion of assigned readings.  
   Communication Outcome

5. Strengthen their analytical skills by using a variety of decision-making techniques to 
   evaluate financial information.  
   Mathematics Outcome

6. Prepare and discuss individual written assignments.  
   Communication Outcome, Mathematics Outcome

*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. Explain the following terms and give examples of each: assets, liabilities, stockholders’ equity.  
   A

2. Identify the three main forms of business organization.  
   A

3. Explain the organization and structure of the income statement, retained earnings statement, 
   and balance sheet.  
   A

4. Identify significant accounting concepts and principles.  
   A

5. Identify the individual accounts involved in a transaction and determine whether each 
   account is increasing or decreasing.  
   A

6. Prepare general journal entries to record transactions.  
   A

7. Use T-accounts to analyze the activity in an account.  
   A

8. Explain the difference between accrual basis accounting and cash basis accounting.  
   A

9. Identify the accounts used by a merchandising firm.  
   B

10. Explain the basic merchandise transactions for a merchandising firm.  
    B

11. Explain the difference between the income statements for a service firm and a 
    merchandising firm.  
    A, B

12. List the objectives of internal control.  
    D

13. Identify the basic principles of internal control.  
    D

    D
15. Prepare a simple bank reconciliation.  
16. Calculate the interest to maturity and maturity value of a note receivable.  
17. Show the balance sheet presentation of accounts receivable.  
18. Explain the difference between the direct write-off method and the allowance method of accounting for bad debts.  
19. Estimate the amount of bad debt expense using the percent of sales approach and the aging of receivables approach.  
20. List three cost flow assumptions used to account for merchandise inventory.  
21. Show the balance sheet presentation of inventory.  
22. Explain the impact of cost flow assumptions on the balance sheet, income statement, and income taxes.  
23. Identify different types of fixed assets and give examples of each type.  
24. Show the balance sheet presentation of fixed assets.  
25. Determine depreciation expense using straight-line and declining balance methods.  
26. Determine the gain or loss on disposal of fixed assets by retirement or sale.  
27. Explain the nature of intangible assets and depletion and give examples of each.  
28. Explain the characteristics of current liabilities and give several examples.  
29. Determine the interest to maturity and maturity value of a short term note payable.  
30. Explain how contingent liabilities are accounted for.  
31. Perform basic payroll calculations and identify taxes paid by the employee and/or the employer.  
32. Explain the characteristics of bonds payable.  
33. Explain the relationship between the contract interest rate and the market interest rate.  
34. Determine whether bonds payable will be issued at a premium or discount.  
35. Determine total borrowing cost related to bonds payable.  
36. Show the balance sheet presentation of bonds payable.  
37. List the stockholders’ equity accounts used by a corporation.  
38. Describe the characteristics, advantages, and disadvantages of the corporate form of business.
39. Show the balance sheet presentation of stockholders’ equity.  

40. Describe the effects of net income and dividends on retained earnings.  

41. Perform horizontal analysis on comparative financial statements.  

42. Perform vertical analysis on the balance sheet and income statement.  

43. Use ratios to analyze the short-term financial position of the company.  

44. Use ratios to analyze the profitability and solvency of the company.  

45. Describe the differences between financial and managerial accounting.  

46. List the three types of manufacturing cost and give examples of each.  

47. List the two types of period costs and give examples of each.  

48. List and describe the three types of inventory used by a manufacturing firm.  

49. Use T-accounts to describe the flow of costs through manufacturing accounts.  


51. Describe the effect of changes in activity on total cost and cost per unit for variable, fixed, mixed, and step costs.  

52. Determine the contribution margin per unit and contribution margin rate.  

53. Determine the breakeven point in units and dollars.  

54. Determine the required sales to achieve a target net income.  

55. Determine the margin of safety in dollars and as a percent.  

56. Describe the benefits of budgeting.  

57. List the individual budgets that make up the master budget.  

58. Prepare the following budgets: sales budget, production budget, materials budget, direct labor budget, overhead budget, and cash budget.  

59. Analyze variances for direct materials or direct labor.  

*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:

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<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>
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<tr>
<td>D</td>
<td>65 - 71</td>
</tr>
<tr>
<td>F</td>
<td>0 - 64</td>
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</tbody>
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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.

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. Computer Usage Guidelines:

College-owned or -operated computing resources are provided for use by students of Pellissippi State. All students are responsible for the usage of Pellissippi State’s computing resources in an effective, efficient, ethical and lawful manner.