PELLISSIPPI STATE COMMUNITY COLLEGE
MASTER SYLLABUS

PRINCIPLES OF ACCOUNTING II
ACCT 1020

Class Hours: 3.0        Credit Hours: 3.0
Laboratory Hours: 0.0    Date Revised: Fall 2014

Catalog Course Description:

A continuation of the study of financial and managerial accounting theory and practice, including analyzing and recording business transactions, completing the accounting cycle, and analyzing and preparing financial statements. Accounting for liabilities, equity and payroll as well as measuring cash flow, cost accounting systems, special analysis and budgeting are taught in the course.

Entry Level Standards:

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

Prerequisites:

ACCT 1010

Co-requisites:

None

Textbook(s) and Other Course Materials:

2. Accounting paper, 2 column and 4 column
3. Marketplace Live user license (more information about this will be distributed by the instructor in class)
4. Basic Calculator (Note: programmable calculators, such as TI-8x and 9x series, electronic devices, computers, and cell phones may not be used on exams in this course)

I. Week/Unit/Topic Basis:

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
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<tbody>
<tr>
<td>1-2</td>
<td>Statement of Cash Flows</td>
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<tr>
<td>3</td>
<td>Financial Statement Analysis</td>
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<td>4</td>
<td>Managerial Accounting</td>
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<td>5</td>
<td>Cost Volume Profit Analysis</td>
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<td>6-7</td>
<td>Budgetary Planning</td>
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II. Course Goals*

The course will:

A. Enhance students’ understanding of financial statements and the Statement of Cash Flows. I
B. Extend students’ knowledge of financial statement analysis and how that information is used to make decisions about a company. I, II
C. Increase students’ understanding of accounting for manufacturing operations. I, III
D. Increase students’ understanding of managerial accounting and how that information is used by managers and accountants. I, II, VI
E. Enhance students’ knowledge of how costs and volume of activity affects profitability of a company and how to analyze those effects. I, III, V
F. Develop students’ understanding of the master budget and how budgeting is used for planning and performance evaluation. I, II, VI
G. Enhance students’ understanding and use of cost accounting systems and techniques. I, III, VI
H. Allow students to develop an understanding of how the impact on profitability is used to make a decision when choosing among competing alternatives. I, III, V, VI

*Roman numerals after course objectives reference goals of the Business Administration program.

III. Expected Student Learning Outcomes*

Students will be able to:

1. Indicate the purpose and usefulness of the statement of cash flows. A, E
2. Distinguish among operating, investing, and financing activities. E
3. Prepare a statement of cash flows using the indirect method. E
4. Use the Statement of Cash Flows to evaluate a company. A, B
5. Describe and apply horizontal analysis. B
6. Describe and apply vertical analysis. B
7. Identify and compute ratios used in a company’s liquidity, solvency, and profitability. B
8. Explain the distinguishing features of managerial accounting. D
9. Define three classes of manufacturing costs. C, D
10. Distinguish between product and period costs. C, D
11. Explain the difference between a merchandising and manufacturing income statement. A, C, D
12. Indicate how cost of goods manufactured is determined. A, C, D
13. Distinguish between variable and fixed costs. E
14. Explain the significance of the relevant range. E
15. Explain the concept of mixed costs. E
16. List the 5 components of cost volume profit analysis. E
17. Indicate what contribution margin is and how it can be expressed. E
18. Identify the three ways to determine the breakeven point. E
19. Identify the formula for determining sales required to earn a target net income. E
20. Define margin of safety and provide the formulas for computing it. E
21. Indicate the benefits of budgeting. F
22. Identify and prepare the budgets that comprise the master budget. D, F
23. Explain the principle sections of a cash budget. D, F
24. Explain the characteristics and purposes of cost accounting. C, D, G
25. Describe the flow of costs in a job order cost accounting system. C, D, G
26. Explain the nature and importance of a job cost sheet. C
27. Indicate how the predetermined manufacturing overhead rate is determined and used. C, G
28. Prepare entries for jobs completed and sold. C, D, G
29. Distinguish between under-applied and over-applied manufacturing overhead. G
30. Understand and identify organizations that use process cost systems. C, G
31. Explain the similarities and differences between job order cost and process cost systems. C, G
32. Explain the flow of cost in a process cost system. C, G
33. Compute equivalent units. G
34. Explain the four steps necessary to prepare a production cost report. G

35. Prepare a production cost report: (a) compute the physical unit flow, (b) compute equivalent units of production, (c) compute unit production costs, and (d) prepare a cost reconciliation schedule. G

36. Describe the concept of budgetary control. D, F

37. Evaluate the usefulness of static budget reports. D, F

38. Explain the development of flexible budgets and the usefulness of flexible budget reports. D, F

39. Distinguish between a standard and a budget. D, F

40. Identify the advantages of standard costs. F

41. Describe how companies set standards. F

42. State the formulas for determining direct materials and direct labor variances. F

43. State the formula for determining the total manufacturing overhead variance. F

44. Compute the manufacturing overhead controllable and manufacturing overhead volume variances. F

45. Identify the steps in management's decision-making process. H

46. Describe the concept of incremental analysis. H

47. Identify the relevant costs in accepting an order at a special price. H

48. Identify the relevant costs in a make-or-buy decision. H

49. State the decision rule for whether to sell or process materials further. H

* Capital letters after Expected Student Learning Outcomes reference the course goals listed above.

IV. Evaluation:

A. Testing Procedures:

   The instructor's policy on exams, quizzes, homework, attendance, and grades will be provided by the instructor in a supplement to the course syllabus.

B. Laboratory Expectations:

   None

C. Field Work:

   None

D. Other Evaluation Methods:

   This information, if applicable, will be provided by the instructor in a supplement to the course syllabus.
E. Grading Scale:

- 92 - 100  A
- 89 - 91  B+
- 82 - 88  B
- 79 - 81  C+
- 72 - 78  C
- 65 - 71  D
- 0 - 64  F

V. Policies:

A. Attendance Policy:

Pellissippi State expects students to attend all scheduled instructional activities. As a minimum, students in all courses (excluding distance learning courses) must be present for at least 75 percent of their scheduled class and laboratory meetings in order to receive credit for the course. Individual departments/programs/disciplines, with the approval of the vice president of Academic Affairs, may have requirements that are more stringent. In very specific circumstances, an appeal of the policy may be addressed to the head of the department in which the course was taken. If further action is warranted, the appeal may be addressed to the vice president of Academic Affairs.

B. Academic Dishonesty:

Academic misconduct committed either directly or indirectly by an individual or group is subject to disciplinary action. Prohibited activities include but are not limited to the following practices:

- Cheating, including but not limited to unauthorized assistance from material, people, or devices when taking a test, quiz, or examination; writing papers or reports; solving problems; or completing academic assignments.
- Plagiarism, including but not limited to paraphrasing, summarizing, or directly quoting published or unpublished work of another person, including online or computerized services, without proper documentation of the original source.
- Purchasing or otherwise obtaining prewritten essays, research papers, or materials prepared by another person or agency that sells term papers or other academic materials to be presented as one’s own work.
- Taking an exam for another student.
- Providing others with information and/or answers regarding exams, quizzes, homework or other classroom assignments unless explicitly authorized by the instructor.
- Any of the above occurring within the Web or distance learning environment.

Please see the Pellissippi State Policies and Procedures Manual, Policy 04:02:00 Academic/Classroom Conduct and Disciplinary Sanctions for the complete policy.

C. Accommodations for disabilities:

Students that need accommodations because of a disability, have emergency medical information to share, or need special arrangements in case the building must be evacuated should inform the instructor immediately, privately after class or in her or his office. Students must present a current accommodation plan from a staff member in Disability Services (DS) in order to receive accommodations in this course. Disability Services may be contacted by sending email to disabilityservices@pstcc.edu, or by visiting Alexander 130. More information
is available at [http://www.pstcc.edu/sswd/](http://www.pstcc.edu/sswd/).

D. Other Policies:

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 in accordance with Pellissippi State’s computer usage policy.