

Pellissippi State Community College  
Master Syllabus

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**PRINCIPLES OF ACCOUNTING II**  
**ACC 2030**

Class Hours: 3.0

Instructor:

Laboratory Hours: N/A

Office:

Credit Hours: 3.0

Phone:

Revised: January 2010

E-Mail:

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**Catalog Course Description:**

A continuation of the study of financial and managerial accounting theory and practice. Includes analyzing and recording business transactions, completing the accounting cycle, and analyzing and preparing financial statements for corporations and manufacturing firms. Also includes accounting for liabilities and equity. Course also includes measuring cash flow, cost accounting systems, decision analysis, and budget reporting.

**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:** ACC 2000 or ACC 2110

**Textbook(s) and other Reference Material Basic to the Course:**

**Required:**

1. Kimmel, Weygandt, Kieso. *Accounting: Tools for Business Decision Making*, 3<sup>rd</sup> edition, John Wiley and Sons, Inc., 2009
2. Accounting paper, 2 column and 4 column
3. Calculator – Non-Programmable (**Note:** programmable calculators (such as TI-8x series), electronic devices, and cell phones may not be used on tests or quizzes in this course).

**I. WEEK/UNIT/TOPIC BASIS:**

**Week Chapter Topic**

1	1	Financial Statements (pp. 12-23)
	2	Financial Statements (pp. 48-53; 64-70)
2	3	Recording Transactions (pp. 102-129)
3-4	4	Accounting Cycle (pp. 162-188)
4	5	Merchandising Operations (pp. 226; 235-241)

Week	Chapter	Topic
5-6	10	Reporting Liabilities (pp. 488-493; 494-495; 497-502; 504; 508-509; 513-515)
6	App. D	Payroll Accounting (pp. D-1 to D-12)
7	11	Reporting Stockholder's Equity (pp. 550-571)
8-9	12	Statement of Cash Flows (pp. 602-605; 607-617)
10	14	Managerial Accounting (pp. 720-723; 726-733)
	15	Job Order Cost Accounting (pp. 772-789)
11	16	Process Cost Accounting (pp. 816-819; 822-830)
12	20	Budgetary Planning (pp. 1006-1008; 1010-1017)
	21	Flexible Budgeting and Budgetary Control (pp. 1052-1062)
13	22	Standard Cost and Variance Analysis (pp. 1106-1119; 1130-1131)
14	22	Standard Cost and Variance Analysis (pp. 1106-1119; 1130-1131)
	23	Incremental Analysis (pp. 1154-1164)
15	→	Final Exam

## II. COURSE OBJECTIVES:\*

- A. Demonstrate an understanding of basic accounting and simple financial statements. I, III
- B. Demonstrate a basic knowledge of the accounting cycle and measurement of business income. I, III, VI
- C. Apply generally accepted accounting principles to business financial reporting. I, III, V, VI
- D. Acquire an understanding of accounting for stockholders' equity of a corporation. I, III, VI, VII
- E. Understand the statement of cash flows. I, III, V, VII
- F. Develop a basic understanding of accounting for manufacturing operations. I, III, V, VII
- G. Understand the use of cost accounting systems and techniques. I, III, VI
- H. Develop an understanding of budgeting and how it impacts performance evaluation. I, II, III, V, VI, VII
- I. Understand how accounting information is used to evaluate performance and make decisions. I, II, III, IV, V, VI, VII

\*Roman numerals after course objectives reference goals of the Business Administration 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. (*Active Learning Strategy, Transitional Strategy*)
2. Practice elements of the work ethic such as preparedness, punctuality, honesty, cooperation, dependability, contribution, and good manners. (*Transitional Strategies, Communication Outcome*)
3. Use spreadsheet software on a personal computer. (*Technological Literacy Outcome, Active Learning Strategy*)
4. Discuss generally accepted accounting principles and how economic events are identified, recorded, and communicated to internal and external user groups. (*Communication Outcome, Mathematics Outcome, Information Literacy Outcome, Active Learning Strategy*)
5. Strengthen their analytical skills by using a variety of decision-making techniques to evaluate financial information. (*Mathematics Outcome, Active Learning Strategy*)
6. Prepare and discuss individual written assignments. (*Communication Outcome, Mathematics Outcome, Information Literacy Outcome*)
7. 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 course work 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. Describe the content and purpose of each of the financial statements A, B
2. Explain the meaning of assets, liabilities, and stockholder's equity, and state the basic accounting equation, A, B, E
3. Explain the basic assumptions and principles underlying financial statements. A, C
4. Define debits and credits and explain how they are used to record business transactions. A, B
5. Identify the basic steps in the recording process. A, B
6. Explain what a journal is and how it helps in the recording process. A, B

7. Explain what a ledger is and how it helps in the recording process. A, B
8. Explain what posting is and how it helps in the recording process. A, B
9. Prepare a trial balance and explain its purposes. A, B
10. Explain what an account is and how it helps in the recording process. A, B
11. Explain the revenue recognition principle and the matching principle. A, B, C
12. Explain why adjusting entries are needed. B, C
13. Identify the major types of adjusting entries. C
14. Prepare adjusting entries for prepayments. B, C
15. Prepare adjusting entries for accruals. B, C
16. Describe the nature and purpose of an adjusted trial balance. C
17. Explain the process of closing entries. B, C
18. Describe the content and purpose of a post-closing trial balance. C
19. State the required steps in the accounting cycle. B, C
20. Distinguish between a single step and multi step income statement. A, B
21. Determine cost of goods sold under a periodic inventory system. A, B
22. Explain the accounting for current liabilities. A, C
23. Identify types of bonds. A, B, C
24. Prepare the entries for the issuance of bonds at face value, at a discount, and at a premium. A
25. Record bond interest expense and premium or discount amortization. A
26. Identify the methods for the presentation and analysis of long-term liabilities. A, C
27. Identify and discuss the major characteristics of a corporation. A, D
28. Record the issuance of common stock. A, C, D
29. Explain the concepts of treasury stock and how it is presented on the balance sheet. A, C, D
30. Differentiate between preferred stock and common stock. A, D
31. Prepare the entries for cash dividends. B, C, D
32. Explain the effect on stockholder's equity of a stock dividend. D
33. Explain the effect on stockholders' equity of a stock split. D
34. Identify items that effect retained earnings. D
35. Indicate the primary purpose of the statement of cash flows, and define cash and cash equivalents. A, E
36. Distinguish among operating, investing, and financing activities. E
37. Prepare a statement of cash flows using the indirect method. E
38. Analyze the statement of cash flows. C, E
39. Explain the distinguishing features of managerial accounting. F
40. Define three classes of manufacturing costs. F
41. Distinguish between product and period costs. F
42. Explain the difference between a merchandising and manufacturing income statement. A, F
43. Indicate how cost of goods manufactured is determined. A, F
44. Explain the characteristics and purposes of cost accounting. G
45. Describe the flow of costs in a job order cost accounting system. G
46. Explain the nature and importance of a job cost sheet. G
47. Indicate how the predetermined overhead rate is determined and used. G

48. Prepare entries for jobs completed and sold. G
49. Distinguish between under- and over-applied manufacturing overhead. G
50. Understand who uses process cost systems. G
51. Explain the similarities and differences between job order cost and process cost systems. G
52. Explain the flow of cost in a process cost system. G
53. Compute equivalent units. G
54. Explain the four steps necessary to prepare a production cost report. G
55. 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
56. Identify the budgets that comprise the master budget. H
57. Explain the principle sections of a cash budget. H
58. Describe the concept of budgetary control. H
59. Evaluate the usefulness of static budget reports. H
60. Explain the development of flexible budgets and the usefulness of flexible budget reports. H
61. Distinguish between a standard and a budget. I
62. Identify the advantages of standard costs. I
63. Describe how standards are set. I
64. State the formulas for determining direct materials and direct labor variances. I
65. State the formulas for determining manufacturing overhead variances. I
66. Identify the steps in management's decision-making process. I
67. Describe the concept of incremental analysis. I
68. Identify the relevant costs in accepting an order at a special price. I
69. Identify the relevant costs in a make-or-buy decision. I
70. Give the decision rule for whether to sell or process materials further. I

\*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. Four major exams are recommended.

### B. **Laboratory Expectations:** None

### 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:**

**A. Attendance Policy:**

Pellissippi State 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.] (*Pellissippi State Online Catalog*)

**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. (*Pellissippi State Online Catalog*)

**C. 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. (*Pellissippi State Online Catalog*)

**D. Accommodation for Disabilities:**

Students who 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 his or her office. Students must present a current accommodation plan from a staff member in Service 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 134 or 126 or by phone: 694-6751 (Voice/TTY) or 539-7153. More information is available at [www.pstcc.edu/departments/swd/](http://www.pstcc.edu/departments/swd/).