

COURSE OUTLINE **Accounting II**

Course Description

BA 127. Accounting II. 3 hours credit. Prerequisites: BA 126 with a C or better. This course will enable the student to perform basic bookkeeping functions for partnerships, limited liability corporations (LLC's) and corporations. The student will also apply some managerial accounting concepts. The student will be introduced to accounting for partnerships and corporations, as well as analysis of financial statements, and basic concepts of managerial and cost accounting.

Course Relevance

The information learned in this course will enable the student to understand basic accounting procedures used in partnerships and corporations. This can be used in any career field, or future courses can be taken to specialize in accounting.

Required Materials

Warren, C., Reeve, J., & Duchac, J. (2007). *Accounting* (22nd ed.). Cincinnati, OH: Southwestern Publishing Company.

"Cengage Now" Homework Manager. This comes in a folder that is shrink wrapped with the textbook when you buy a new textbook from the Butler bookstore. It can also be purchased separately online.

The student will also need pencils, calculator, and one 3 ½ inch floppy disk or jump drive

Learning Outcomes

The intention is for the student to be able to:

1. Analyze, record, and report the business transactions of a partnership and corporation
2. Use Job Order and Process costing systems and understand basic managerial concepts
3. Perform all of the accounting functions and prepare financial statements in accordance with GAAP (Generally Accepted Accounting Principles)

Learning PACT Skills that will be DEVELOPED and /or documented in this course:

Through the student's involvement in this course, he/she will develop his/her ability in the following PACT skill areas:

Analytical Thinking Skills

1. Problem Solving
 - By applying skills learned in lessons, students use techniques to correctly prepare financial statements and other business transactions for partnerships and corporations.

Major Summative Assessment Task(s)

These learning outcomes and the Learning PACT skills will be demonstrated by:

1. Complete a standard accounting departmental post-test that measures the student's ability to solve problems (A outcome) related to Financial Accounting II functions, including partnerships and corporations
2. Demonstrate the process of solving departmentally selected Financial Accounting II problems (A outcome)

Course Content

- I. Themes - Key recurring concepts that run throughout this course:
 - A. Partnerships, including journal entries and financial statements
 - B. Corporations, including journal entries and financial statements
 - C. Basic managerial accounting concepts
- II. Issues – Key areas of conflict that must be understood in order to achieve the intended outcome:
 - A. Guidelines for GAAP
 - B. Partnerships and corporations characteristics
 - C. Managerial and financial accounting characteristics
- III. Concepts – Key concepts that must be understood to address the issues:
 - A. Generally Accepted Accounting Principles for a partnership and corporation
 - B. Understand how partnership rules differ from corporations
 - C. Understand how managerial accounting is different from financial accounting
- IV. Skills/Competencies – Actions that are essential to achieve the course outcomes:
 - A. Proper completion of journal entries and financial statements for partnerships
 - B. Proper completion of journal entries and financial statements for corporations

Learning Units

- I. Accounting for partnerships and limited liability corporations
 - A. Identify and list the basic characteristics of proprietorships, corporations, partnerships, and limited liability corporations
 - B. Describe and illustrate the equity reporting for proprietorships, corporations, partnerships and limited liability corporations
 - C. Journalize the entries for the formation of a partnership
 - D. Journalize the entries for dividing partnership net income and net loss
 - E. Journalize the entries for changes in ownership, dissolution, and liquidation of the partnership
 - F. Prepare financial statements for a partnership
- II. Corporations, organization, capital stock transactions and dividends

- A. Summarize the formation and characteristics of a corporation
 - B. Describe the two main sources of stockholder's equity
 - C. List the major sources of paid in capital, including various classes of stock
 - D. Illustrate the procedures in recording the sale/purchase of treasury stock
 - E. Explain the effects of a stock split on corporate financial statements
 - F. Journalize the entries for cash and stock dividends
 - G. Compute and interpret dividend yield on common stock
 - H. Prepare a Statement of Retained Earnings and the Stockholders Equity section
 - I. of the balance sheet
- III. Income taxes, unusual income items, and investments in stock
- A. Journalize entries for corporate income taxes
 - B. Prepare income statements that include the accounting for unusual items and earnings per share date
 - C. Journalize the entries for investment and sale in stocks
- IV. Bonds payable and investments in bonds
- A. Illustrate the impact of borrowing on a long-term basis as a means of financing for a corporation
 - B. Describe the characteristics of bonds
 - C. Calculate the present value of bonds and illustrate the accounting procedures for bonds payable balance
 - D. Use correct accounting procedures in recording appropriations for redemption of bonds, and investments in bonds
- V. Statement of cash flows
- A. Explain the nature of the statement of cash flows
 - B. Summarize the types of cash flow activities reported in the statement of cash flows (operating, investing and financing)
 - C. Prepare a statement of cash flows using the direct and indirect method
- VI. Financial statement analysis
- A. Prepare analysis of financial statements using both horizontal and vertical analysis
 - B. Prepare common size statements
 - C. Analyze a set of financial statements by using solvency and profitability ratios
 - D. Interpret the results of a financial statement analysis
 - E. Compare corporate financial statements to the appropriate industrial averages and explain the result of the comparison
- VII. Managerial accounting concepts and principles
- A. Compare and contrast managerial accounting and financial accounting
 - B. Distinguish between manufacturing (product) costs and non-manufacturing (period) costs
 - C. Distinguish between direct and indirect costs
 - D. Discuss uses in managerial accounting

VIII. Job order costing

- A. Analyze and prepare journal entries for a job order cost system
- B. Diagram the cost flows for a job order cost system
- C. Prepare a job order cost sheet
- D. Use job order cost information for decision making

IX. Process cost systems

- A. Compare and contrast a job order cost system and process cost system
- B. Illustrate the physical flows and cost flows in a process cost system
- C. Calculate and interpret the accounting for completed and partially completed units under the FIFO (First In, First Out) method
- D. Prepare a cost of production report for decision making
- E. Journalize the entries for transactions of a process manufacturer

Learning Activities

Learning activities will be assigned to assist the student in analyzing and properly recording accounting data. Activities will be both independent and in groups. This can include class lectures, homework problems, and case studies. Use of computers to prepare electronic accounting spreadsheets will be done with various lessons through the semester.

Grade Determination

The student will be graded on assessment tasks, tests/exams, quizzes, homework, computer spreadsheets, class participation and other activities as determined by instructor.