

# Accounting 2 - Principles

## Course Outcome Summary

### Course Information

<b>Organization</b>	Madison Area Technical College
<b>Developers</b>	Peggy A. Boerman
<b>Development Date</b>	8/30/2001
<b>Revised Date</b>	2/14/2007
<b>Course Number</b>	10-101-113
<b>Instructional Level</b>	Associate Degree
<b>Potential Hours of Instruction</b>	72
<b>Total Credits</b>	4

### Description

Procedures of accounting for partnerships and corporations. Additional topics include current and long-term liabilities, statement of cash flows, departmental accounting, manufacturing accounting, analysis of financial statements, introduction to cost accounting, budget preparation and cost-volume-profit analysis.

### Types of Instruction

Instruction Type	Contact Hours	Credits
Classroom Presentation	72	4

### Textbooks

Larson, Wild & Chiapetta. *Fundamental Accounting Principles*. Irwin McGraw Hill. 2007. **Edition:** 18h.

### Learner Supplies

Financial calculator required ---BAll Plus recommended. **Manufacturer:** Texas Instruments BAll Plus preferred.

### Prerequisites

Grade of C or better in Accounting 1- Principles (10-101-111)  
Grade of C or better in Math of Fiance (10-804-122)

### Exit Learning Outcomes

#### Core Abilities

- A. Critical thinking
- B. Mathematics

#### Competencies

- A. Record depreciation

**Linked Core Abilities**

Critical thinking

Mathematics

**You will demonstrate your competence:**

A.1. by satisfactorily completing and submitting all homework assignments when due

A.2. by passing a closed book exam with a minimum at least 70% correct using only a calculator

**Your performance will be successful when:**

A.1. you explain the difference between the major depreciation methods

A.2. you compare and analyze depreciation for different methods

A.3. you apply the cost principle to compute the cost of plant assets

A.4. you use accurate dollar amounts

A.5. you differentiate between ordinary repairs, betterments and extraordinary repairs

**B. Record the purchase and disposal of plant assets and equipment****Linked Core Abilities**

Critical thinking

Mathematics

**You will demonstrate your competence:**

B.1. by satisfactorily completing and submitting all homework assignments when due

B.2. by passing a closed book exam with at least 70% correct using only a calculator

**Your performance will be successful when:**

B.1. you compute the cost basis of the asset

B.2. you record asset disposal through discarding, selling, or exchanging an asset

B.3. you use accurate dollar amounts

B.4. you use proper journal entry form

B.5. you show all computations clearly

**C. Record current and long term liabilities****Linked Core Abilities**

Critical thinking

Mathematics

**Competence will be demonstrated:**

C.1. by satisfactorily completing and submitting all homework assignments when due

C.2. by passing a closed book exam with at least 70% using only a calculator

**Criteria - Performance will be satisfactory when:**

C.1. you record an interest bearing bearing note

C.2. you record the interest and payment of an interest bearing note

C.3. you compute and record employee payroll expenses and liabilities

C.4. you compute and record employee payroll deductions and liabilities

C.5. you journalize warranty transactions

C.6. you summarize when to account for contingent liabilities

**D. Record partnership ownership transactions****Linked Core Abilities**

Critical thinking

Mathematics

**Competence will be demonstrated:**

- D.1. by satisfactorily completing and submitting all homework assignments when due
- D.2. by passing a closed book exam with at least 70% correct using only a calculator

**Criteria - Performance will be satisfactory when:**

- D.1. you record the formation of a partnership
- D.2. you calculate the distribution of net income to the partners
- D.3. you record the admission of a new partner
- D.4. you record the withdrawal of a partner
- D.5. you record the liquidation of a partnership

**E. Record corporation ownership transactions**

**Linked Core Abilities**

Critical thinking

Mathematics

**Competence will be demonstrated:**

- E.1. by satisfactorily completing and submitting all homework assignments when due
- E.2. by passing a closed book exam with at least 70% correct using only a calculator

**Criteria - Performance will be satisfactory when:**

- E.1. you describe the characteristics of a corporation
- E.2. you record the formation of a partnership
- E.3. you use basic corporation equity terms
- E.4. you record the issuance of common and preferred stock at par and in excess of par
- E.5. you calculate the distribution of dividends to common and preferred stockholders
- E.6. you use common dividend terms
- E.7. you record cash and stock dividends
- E.8. you record treasury stock transactions
- E.9. you compute book value per share

**F. Prepare corporate financial statements**

**Linked Core Abilities**

Critical thinking

Mathematics

**You will demonstrate your competence:**

- F.1. by satisfactorily completing and submitting all homework assignments when due
- F.2. by passing a closed book exam with at least 70% correct using only a calculator

**Your performance will be successful when:**

- F.1. you explain corporate financial statements
- F.2. you identify and differentiate between corporate income, capital and balance sheet accounts
- F.3. you prepare corporate financial statements in proper form

**G. Record bond and long-term notes payable transactions**

**Linked Core Abilities**

Critical thinking

Mathematics

**Competence will be demonstrated:**

- G.1. by satisfactorily completing and submitting all homework assignments when due

G.2. by passing a closed book exam with at least 70% correcting only a calculator

**Criteria - Performance will be satisfactory when:**

G.1. you explain the differences between bonds and stocks

G.2. you use basic bond terms

G.3. you record the issuance of bonds at par, at a premium and at a discount

G.4. you calculate bond amortization using straight line and the effective interest method

G.5. you record bond interest expense

G.6. you record the retirement of bonds

G.7. you record interest expense for installment notes assuming equal principal payments and equal payments

**H. Journalize investments and securities transactions**

**Linked Core Abilities**

Critical thinking

Mathematics

**You will demonstrate your competence:**

H.1. by satisfactorily completing and submitting all homework assignments when due

H.2. by passing a closed book exam with at least 70% correct using only a calculator

**Your performance will be successful when:**

H.1. you account for trading securities

H.2. you account for held-to-maturity securities

H.3. you account for available for sale securities

H.4. you describe how to report equity securities with controlling influence

**I. Prepare a Statement of Cash Flows**

**Linked Core Abilities**

Critical thinking

Mathematics

**Competence will be demonstrated:**

I.1. by satisfactorily completing and submitting all homework assignments when due

I.2. by passing a closed book exam with at least 70% correct using a calculator and a handout for the direct method

**Criteria - Performance will be satisfactory when:**

I.1. you differentiate between cash flows from operating, financing and investing activities

I.2. you describe the format of the Statement of Cash Flows

I.3. you prepare a Statement of Cash Flows using the direct and indirect methods

**J. Analyze financial statements**

**Linked Core Abilities**

Critical thinking

Mathematics

**Competence will be demonstrated:**

J.1. by satisfactorily completing and submitting all homework assignments when due

J.2. by passing a closed book exam with at least 70% correct using a calculator and a financial ratio formula handout

**Criteria - Performance will be satisfactory when:**

- J.1. you describe the purpose of financial analysis
- J.2. you calculate and interpret common ratios used in analysis
- J.3. you prepare vertical and horizontal analysis

**K. Apply managerial accounting concepts and principles**

**Linked Core Abilities**

Critical thinking  
Mathematics

**You will demonstrate your competence:**

- K.1. by satisfactorily completing and submitting all homework assignments when due
- K.2. by passing a closed book exam with at least 70% correct using only a calculator

**Your performance will be successful when:**

- K.1. you describe the major characteristics of managerial accounting
- K.2. you explain differences in the financial statements of manufacturing versus merchandising companies
- K.3. you classify costs
- K.4. you compute and analyze unit contribution margin

**L. Utilize financial calculator**

**Linked Core Abilities**

Mathematics

**You will demonstrate your competence:**

- L.1. by satisfactorily completing and submitting all homework assignments when due
- L.2. by passing a closed book exam with at least 70% correct using only a calculator

**Your performance will be successful when:**

- L.1. you compute the number of days between dates
- L.2. you compute the issue price of a bond
- L.3. you utilize the calculator to amortize a bond
- L.4. you compute the monthly/yearly payment of a long term liability
- L.5. you apply present value concepts to a single amount
- L.6. you apply future value concepts to a single amount
- L.7. you apply present value concepts to an annuity
- L.8. you apply future value concepts to an annuity