

LAST REVIEW: 2008-2009

(i.e. 2003-2004)

NEXT REVIEW: 2013-2014

(i.e. 2008-2009)

STATUS: A

(A, I, D)

COURSE TITLE: Intermediate Accounting I

COMMON COURSE NUMBER: ACG 2100

CREDIT HOURS: 3

CONTACT HOUR BREAKDOWN

(per 16 week term)

CLOCK HOURS:

(Voc. Course ONLY)

Lecture: **48**

Lab:

Clinic:

Other:

PREREQUISITE(S): ACG 2011

COREQUISITE(S): None

PRE/COREQUISITE(S): None

COURSE DESCRIPTION *(750 characters, maximum):*

This course provides a systematic and in-depth study of the financial statements and underlying records. Special attention is given to the elements composing working capital, investments and plant assets. Advisement note: Students achieving less than a grade of C in ACG 2011 may experience academic difficulty in this course.

General Education Requirements – Associate of Arts Degree (AA), meets Area(s): Area

General Education Requirements – Associate in Science Degree (AS), meets Area(s): Area

General Education Requirements – Associate in Applied Science Degree (AAS), meets Area(s): Area

UNIT TITLES

1. Theoretical Foundations of Financial Accounting and Reporting
2. Review of the Accounting Model and Information Processing
3. Review of the Income Statement and Retained Earnings Statement
4. Review of the Balance Sheet and Statement of Cash Flow
5. Concepts of Future and Present Value
6. Accounting and Reporting When Prices Change
7. Cash, Short-Term Investments, and Receivables
8. Liabilities and Income Taxes: Measuring, Recording and Reporting
9. Inventories: General Problems
10. Inventories: Flow and Matching Procedures
11. Inventories: Special Valuation Procedure and Long-Term Contracts
12. Operational Assets - Property, Plant and Equipment: Acquisition, Use, and Retirement
13. Properties, Plant, and Equipment: Depreciation and Depletion
14. Intangible Assets



BROWARD COLLEGE COURSE OUTLINE

EVALUATION:

Please provide a brief description (250 characters maximum) that details how students will be evaluated on the course outcomes.

Evaluation may include but is not limited to the following:

Exams, Quizzes, Presentations, Portfolios, Discussions, Class Participation, Attendance, Projects, Co-ops, Practicum, Internships, Externships, and Research Reports.

**** Complete the following only if course is seeking general education status ****

GENERAL EDUCATION Competencies and Skills *:

Please highlight in green font all Competencies/Skills from the list below that apply to this course. In the box to the right of the Competency/Skill, enter all specific learning outcome numbers (i.e. 1.1, 2.7, 5.12) that apply.

1. Read with critical comprehension	
2. Speak and listen effectively	
3. Write clearly and coherently	
4. Think creatively, logically, critically, and reflectively (analyze, synthesize, apply, and evaluate)	
5. Demonstrate and apply literacy in its various forms: (highlight in green <u>ALL</u> that apply) (1. technological, 2. informational, 3. mathematical, 4. scientific, 5. cultural, 6. historical, 7. aesthetic and/or 8. environmental)	
6. Apply problem solving techniques to real-world experiences	
7. Apply methods of scientific inquiry	
8. Demonstrate an understanding of the physical and biological environment and how it is impacted by human beings	
9. Demonstrate an understanding of and appreciation for human diversities and commonalities	
10. Collaborate with others to achieve common goals.	
11. Research, synthesize and produce original work	
12. Practice ethical behavior	
13. Demonstrate self-direction and self motivation	
14. Assume responsibility for and understand the impact of personal behaviors on self and society	
15. Contribute to the welfare of the community	

* General Education Competencies and Skills endorsed by '05-'06 General Education Task Force

UNITS

Unit 1 - Theoretical Foundations of Financial Accounting and Reporting

General Outcome:

- 1.0** The students should be able to list and describe the basic assumptions, principles and modifiers generally accepted in financial accounting, the objectives of financial statements and the qualitative characteristics of accounting information.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 1.1 Describe the basic assumptions or concepts of generally accepted accounting principles (GAAP).
 - 1.1.1 The business entity concept
 - 1.1.2 The accounting period concept
 - 1.1.3 The going concern concept
 - 1.1.4 The stable dollar concept
- 1.2 List and explain the generally accepted accounting principles.
 - 1.2.1 The cost principle
 - 1.2.2 The matching principle
 - 1.2.3 The revenue recognition principle
 - 1.2.4 The expense recognition principle
 - 1.2.5 The full disclosure principle
 - 1.2.6 The consistency principle
 - 1.2.7 The objectivity principle
- 1.3 List and discuss the objectives of financial statements.
- 1.4 Identify and define the qualitative characteristics of accounting information.
- 1.5 Describe accounting on the accrual basis and contrast to the cash basis

Common Course Number: ACG 2100

Unit 2 - Review of the Accounting Model and Information Processing

General Outcome:

- 2.0** The students should be able to prepare general journal entries, post to the ledger, complete worksheets, and journalize adjusting, closing, and reversing entries.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 2.1 Record general journal (journalize) entries.
- 2.2 Post to the general ledger and summarize the account balances.
- 2.3 Identify posting errors and prepare a trial balance.
- 2.4 Prepare worksheets.
- 2.5 Prepare adjusting, closing and reversing general journal entries.

Unit 3 - Review of the Income Statement

General Outcome:

- 3.0** The students should be able to prepare an income statement and ~~retained earnings~~ statement of stockholders' equity.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 3.1 Prepare a single-step income statement.
- 3.2 Prepare a multiple-step income statement.
- 3.3 Calculate earnings per share.
- 3.4 Determine accounting changes and calculate corrections of errors.
- 3.5 Prepare a statement of stockholder's equity.
- 3.6 Prepare general journal entries to restrict retained earnings and illustrate the reporting in the affected financial statement.
- 3.7 Describe the criteria and the reporting requirements for extraordinary items.
- 3.8 Describe the criteria for reporting unusual or infrequent items, but not both.
- 3.9 Define and describe the accounting treatment for prior period adjustments.

Common Course Number: ACG 2100

Unit 4 - Review of the Balance Sheet and Statement of Cash Flows

General Outcome:

4.0 The students should be able to prepare a balance sheet and a statement of cash flows.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 4.1 Define assets, liabilities, and owners' equity and their valuation in the balance sheet.
- 4.2 Prepare a classified balance sheet.
- 4.3 Calculate working capital.
- 4.4 Determine unrealized capital.
- 4.5 Prepare a statement of cash flows.
- 4.6 Describe the requirements of full disclosure.
- 4.7 Discuss the auditor's report.
 - 4.7.1 Unqualified opinion
 - 4.7.2 Qualified opinion
 - 4.7.3 Adverse opinion
 - 4.7.4 Disclaimer of opinion

Common Course Number: ACG 2100

Unit 5 - Concepts of Future and Present Value

General Outcome:

- 5.0** The students should be able to describe the time value of money for future and present value.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 5.1 Calculate the future value of \$1.
- 5.2 Determine the present value of \$1.
- 5.3 Calculate the future value of an ordinary annuity.
- 5.4 Calculate the future value of an annuity due.
- 5.5 Determine the present value of an ordinary annuity.
- 5.6 Determine the present value of an annuity due.

Common Course Number: ACG 2100

Unit 6 - Accounting and Reporting When Prices Change

General Outcome:

6.0 The students should be able to account and report for changing prices.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 6.1 Apply the general price level index number to restate financial statements.
- 6.2 Apply current replacement cost to restate financial statements.
- 6.3 Apply FASB #33 to restate financial statements.

Common Course Number: ACG 2100

Unit 7 - Cash, Short-Term Investments, and Receivables

General Outcome:

- 7.0** The students should be able to account for cash, short-term investments, and receivables.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 7.1 Define internal control.
- 7.2 Develop procedures of internal control over cash.
- 7.3 Prepare a bank reconciliation of bank with book balance and a proof of cash.
- 7.4 Prepare the necessary adjusting general journal entries resulting as a consequence of the bank reconciliation.
- 7.5 Describe an imprest petty cash system.
- 7.6 Prepare the necessary general journal entries to establish and replenish a petty cash fund
- 7.7 Describe the nature and types of short-term investments.
- 7.8 Define the tests that a short-term investment must meet to be classified as a current asset.
- 7.9 Calculate the valuation of short-term investments using the guidelines provided by FASB #12 for equity securities.
- 7.10 Prepare the necessary adjusting entry to reflect the application of the lower of cost or market rule to equity securities.
- 7.11 Describe the presentation in the balance sheet and in the income statement of unrealized gains/losses on short-term investments.
- 7.12 Describe the proper accounting for short-term investments not covered under the provisions of FASB #12 (redeemable preferred stock and debt securities).
- 7.13 List arguments for and against the use of current market as a valuation basis for short-term investments.
- 7.14 Determine and prepare the necessary general journal entries for investment revenue on short-term investments.
- 7.15 Describe the nature and types of receivables.
- 7.16 Estimate the amount that will be realized from the collection of receivables by using:

- 7.16.1 The net credit sales method
- 7.16.2 An aging of accounts receivables

- 7.17 Prepare the necessary adjusting entries required under each of the aforementioned methods of accounting for losses of uncollectible accounts.

- 7.18 Prepare the following general journal entries:
 - 7.18.1 To write-off bad accounts
 - 7.18.2 The reinstatement and collection of accounts previously written off

- 7.19 List the strengths and weaknesses of using the estimation of bad debt expense and the estimation of net value of present receivables to account for uncollectible accounts.

- 7.20 Describe the direct write-off method of accounting for bad debts and explain its weakness.

- 7.21 Define notes receivables and describe the two types that are used.

- 7.22 Record in general journal form the necessary entries for the receipt, accrual of interest and collection of both interest-bearing and noninterest-bearing notes receivables.

- 7.23 Detail the discounting of notes receivables.

- 7.24 Define contingent liability.

- 7.25 Describe the disclosure requirements of the contingent liability on discounted notes.

- 7.26 Prepare the necessary general journal entries to account for the discounting of notes receivables.

- 7.27 Define a dishonored notes receivable.

- 7.28 Prepare the necessary general journal entry to account for a dishonored notes receivable.

- 7.29 Prepare the necessary general journal entry to record the subsequent collection of a dishonored notes receivable.

- 7.30 Describe the accounting for:
 - 7.30.1 Assignment of accounts receivable
 - 7.30.2 Factoring of accounts receivable
 - 7.30.3 Sale of accounts receivable
 - 7.30.4 Pledging of accounts receivable

Common Course Number: ACG 2100

Unit 8 - Liabilities and Income Taxes: Measuring, Recording and Reporting

General Outcome:

8.0 The students should be able to account for liabilities and income taxes.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 8.1 Record accounts and notes payable.
- 8.2 Calculate and record interest on notes payable.
- 8.3 Calculate and record payroll taxes.
- 8.4 Calculate and record loss contingencies.
- 8.5 Account for interperiod and intraperiod income tax allocation.
- 8.6 Account for income tax loss carryback and carryforward.
- 8.7 Calculate and record investment tax credit.

Common Course Number: ACG 2100

Unit 9 - Inventories: General Problems

General Outcome:

- 9.0** The students should be able to describe the problems of accounting and costing for inventories.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 9.1 Describe the basic purpose of accounting for inventories.
- 9.2 Describe the nature of inventories.
- 9.3 Detail the major classes of inventories.
- 9.4 Describe the dual phase of the inventory problem.
- 9.5 Identify items (goods) that should be included in inventory under various shipping terms and/or consignment.
- 9.5 Describe a periodic (physical) inventory system and characteristics common to entities that apply this system.
- 9.6 Describe a perpetual inventory system and characteristics common to entities that apply this system.
- 9.7 Record under the periodic system in general journal form the following:
- 9.7.1 Merchandise purchased for resale on account or cash basis
 - 9.7.2 A purchase returned
 - 9.7.3 The payment of accounts payable within and outside discount periods
 - 9.7.4 The payment of transportation costs
 - 9.7.5 The sale of merchandise inventory on account or for cash
 - 9.7.6 A sale returned
 - 9.7.7 The collection of accounts receivable within and outside discount periods
 - 9.7.8 The payment of freight costs
 - 9.7.9 The adjusting entries required to the inventory account
- 9.8 Record under the perpetual system in general journal form the following:
- 9.8.1 Merchandise purchased for resale on account or cash basis
 - 9.8.2 A purchase returned
 - 9.8.3 The payment of accounts payable within and outside discount periods

- 9.8.4 The payment of transportation costs
- 9.8.5 The sale of merchandise inventory on account or for cash
- 9.8.6 A sale returned
- 9.8.7 The collection of accounts receivable within and outside discount periods
- 9.8.8 The payment of freight costs
- 9.8.9 The recording of cost of goods sold

- 9.9 Contrast the periodic and perpetual inventory systems.

- 9.10 Explain for two fiscal periods the effects of overstatement or understatement errors in ending inventory for the following:
 - 9.10.1 Cost of goods sold
 - 9.10.2 Gross profit
 - 9.10.3 Net income
 - 9.10.4 Capital

- 9.11 Calculate inventory unit cost.

- 9.12 Apply the lower of cost, or market rule to inventory.

- 9.13 Describe the effect of inventory holding losses on net income.

- 9.14 Define net realizable value and replacement cost and situations where its limited use is acceptable.

- 9.13 Describe the circumstances under which an inventory item can be valued at selling price and the proper accounting of such departures from generally accepted accounting principles.

Common Course Number: ACG 2100

Unit 10 - Inventories: Flow and Matching Procedures

General Outcome:

10.0 The students should be able to determine the cost inventories using various cost flow assumptions.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 10.1 Determine specific cost identification.
- 10.2 Calculate ending inventory and cost of goods sold using the:
 - 10.2.1 Weighted average method
 - 10.2.2 First-in, first-out method
 - 10.2.3 Last-in, first-out method
- 10.3 Contrast the LIFO method with the FIFO method assuming that the general price level is increasing.
- 10.4 Compare variable and direct cost methods.
- 10.5 Calculate dollar value LIFO method.

Common Course Number: ACG 2100

Unit 11 - Inventories: Special Valuation Procedures and Long-Term Contracts

General Outcome:

- 11.0** The students should be able to demonstrate an understanding of the special inventory procedures of estimating inventories and computing dollar value LIFO.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 11.1 Estimate inventories by the gross margin method.
- 11.2 Estimate inventories by the retail inventory method.
- 11.3 Calculate for long-term construction contracts the income recognized under:
 - 11.3.1 The completed contract method
 - 11.3.2 The percentage of completion method
- 11.4 Calculate dollar value LIFO retail method.

Unit 12 - Operational Assets–Property, Plant and Equipment: Acquisition, Use, and Retirement

General Outcome:

- 12.0** The students should be able to account for the acquisition, use, and retirement of operational assets.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 12.1 Classify operational assets.
- 12.2 Define and describe the following:
- 12.2.1 Tangible property
 - 12.2.2 Intangible assets
- 12.3 Define and contrast:
- 12.3.1 Revenue expenditures
 - 12.3.2 Capital expenditures
- 12.4 Identify the fundamental principles for recording the acquisition of operational assets.
- 12.5 Cite the rule and modifiers used in measuring the cost of an acquired operational asset.
- 12.6 Describe and record in general journal form the acquisition of operational assets for the conditions following:
- 12.6.1 For cash
 - 12.6.2 On a deferred payment plan
 - 12.6.3 For stocks or other securities
 - 12.6.4 Through exchange
 - 12.6.5 Through mixed acquisitions at a lump sum
- 12.7 Identify and describe the accounting for outlays subsequent to acquisition but before operational use:
- 12.7.1 Installation costs
 - 12.7.2 Repairs and improvements prior to use
 - 12.7.3 Razing old structures
 - 12.7.4 Other incidental costs
- 12.8 Identify the problems and discuss the accounting treatment of assets constructed for own use.
- 12.9 Describe the accounting treatment of interest cost during an asset's construction period.

- 12.10 Identify specific cost elements for:
 - 12.10.1 Land
 - 12.10.2 Buildings
 - 12.10.3 Machinery, furniture, fixtures and equipment
 - 12.10.4 Returnable containers
 - 12.10.5 Leasehold improvements

- 12.11 Identify and describe the treatment for departures from cost in accounting for tangible assets:
 - 12.11.1 Write-up to appraisal value above cost
 - 12.11.2 Write-up due to donated assets
 - 12.11.3 Write-up due to unexpected discovery value
 - 12.11.4 Write-down due to permanent decrease in use value
 - 12.11.5 Re-valuations due to quasi-reorganization

- 12.12 Describe the accounting treatment for cost outlays subsequent to acquisition:
 - 12.12.1 Repairs and maintenance
 - 12.12.2 Extraordinary repairs
 - 12.12.3 Replacements and betterments
 - 12.12.4 Additions
 - 12.12.5 Rearrangement of assets

- 12.13 Describe the accounting, calculate book value, determine gain or loss, and record in general journal form the retirement of operational assets.

Unit 13 - Property, Plant and Equipment: Depreciation and Depletion

General Outcome:

- 13.0** The students should be able to describe and apply generally accepted accounting methods of periodically allocating fixed asset cost through the use of estimates.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 13.1 Define depreciation.
- 13.2 List disclosure requirements for depreciation.
- 13.3 Identify causes of depreciation.
- 13.4 Identify factors in determining the depreciation charge.
- 13.5 Record in general journal form the depreciation expense for a period.
- 13.6 Compute depreciation under the following methods:
 - 13.6.1 Straight-line
 - 13.6.2 Units-of-output
 - 13.6.3 Sum-of-the-years'-digits
 - 13.6.4 Double-declining-balance
- 13.7 Compute depreciation for a fractional year under the aforementioned methods.
- 13.8 Explain what is meant by accelerated depreciation.
- 13.9 Describe the accounting treatment for depreciation under APB Opinion 20 as related to:
 - 13.9.1 Change in an accounting method
 - 13.9.2 Change in an estimate
 - 13.9.3 An accounting error
- 13.10 Describe the nature of depletion.
- 13.11 Identify disclosure requirements for depletion.
- 13.12 Identify factors in determining the depletion charge.
- 13.13 Record in general journal form the depletion expense for a period.
- 13.14 Compute depletion under a generally accepted method.
- 13.15 Contrast percentage depletion to the generally accepted accounting treatment of depletion.

Unit 14 - Intangible Assets

General Outcome:

14.0 The students should be able to account for intangible assets and deferred charges.

Specific Measurable Learning Outcomes:

Upon successful completion of this unit, the student shall be able to:

- 14.1 Define intangible assets.
- 14.2 Identify the characteristics and the classification of intangible assets.
- 14.3 Measure and record in general journal form the acquisition cost of intangible assets.
- 14.4 Explain the accounting and reporting for intangible assets under APB Opinion 17.
- 14.5 Define amortization and identify the method prescribed under APB Opinion 17.
- 14.6 Compute amortization under the straight-line method.
- 14.7 Describe and identify specific cost elements for the following intangible assets:
 - 14.7.1 Patents
 - 14.7.2 Copyrights
 - 14.7.3 Franchises
 - 14.7.4 Trademarks
- 14.8 Identify and describe the accounting for unidentifiable intangible assets under APB Opinion 17.
- 14.9 Describe the treatment of costs subsequent to acquisition for unidentifiable intangible assets.
- 14.10 Define goodwill.
- 14.11 Discuss the treatment of goodwill under APB Opinion 17.
- 14.12 Estimate goodwill through the present value of future excess earnings purchased method.
- 14.13 Define deferred charges and cite examples.
- 14.14 Describe the accounting treatment of cost allocation for deferred charges.
- 14.15 Describe and identify specific cost elements for the following deferred charges:
 - 14.15.1 Research and development costs
 - 14.15.2 Organization costs
 - 14.15.3 Leaseholds
- 14.16 Describe the accounting treatment of research and development costs under FASB Statement 2.
- 14.17 Describe the approaches to account for stock issue costs.
- 14.18 Prepare a leasehold amortization table using the present value basis and record in general journal form the required entries in the records of both the lessor and the lessee.
- 14.19 Describe the accounting treatment for development stage companies as prescribed by FASB 7.

Special Student Projects:

At the option of the instructor, three reports on magazine articles are due for the semester. The reports will be based on an accounting article from the following magazines only: Journal of Accountancy, Accounting Review, and Management Accounting.

At least one article must come from both the Journal of Accountancy and Management Accounting. In addition, there will be one report due on a newspaper article. The article may only come from the Wall Street Journal.