

ILLINOIS VALLEY COMMUNITY COLLEGE



COURSE OUTLINE

DIVISION: Natural Sciences Business

COURSE: ACT 2221 – INTERMEDIATE ACCOUNTING I

Date: 12-12-13

Credit Hours: 3

Prerequisite(s): Sophomore standing with a 2.0 GPA or completion of one year of high school accounting or completion of ACT 1210 with a grade of C or consent of instructor.

Delivery Method:

<input checked="" type="checkbox"/> Lecture	3 Contact Hours (1 contact = 1 credit hour)
<input type="checkbox"/> Seminar	0 Contact Hours (1 contact = 1 credit hour)
<input type="checkbox"/> Lab	0 Contact Hours (2 contact = 1 credit hour)
<input type="checkbox"/> Clinical	0 Contact Hours (3 contact = 1 credit hour)
<input type="checkbox"/> Online	
<input type="checkbox"/> Blended	

Offered: Fall Spring Summer

IAI Equivalent –**Only for Transfer Courses**–go to <http://www.itransfer.org>: NONE

CATALOG DESCRIPTION:

A study of the theory, concepts and procedures that underlie the preparation of external accounting reports for corporate organizations. Topics to be covered include: accounting standards and the conceptual framework, the processing of accounting information, financial statement preparation, monetary assets, inventories, plant assets, and time value of money.

GENERAL EDUCATION GOALS ADDRESSED

[See the last page of this form for more information.]

Upon completion of the course, the student will be able:

[Choose those goals that apply to this course.]

- To apply analytical and problem solving skills to personal, social and professional issues and situations.
- To communicate orally and in writing, socially and interpersonally.
- To develop an awareness of the contributions made to civilization by the diverse cultures of the world.
- To understand and use contemporary technology effectively and to understand its impact on the individual and society.
- To work and study effectively both individually and in collaboration with others.
- To understand what it means to act ethically and responsibly as an individual in one's career and as a member of society.
- To develop and maintain a healthy lifestyle physically, mentally, and spiritually.
- To appreciate the ongoing values of learning, self-improvement, and career planning.

EXPECTED LEARNING OUTCOMES AND RELATED COMPETENCIES:

[Outcomes related to course specific goals.]

Upon completion of the course, the student will be able to:

1. Define and describe financial accounting and accounting standards.
 - 1.1 Identify the financial statements.
 - 1.2 Identify and describe the challenges facing financial accounting.
 - 1.3 Identify and describe the objectives of financial reporting.
 - 1.4 Identify the need to develop accounting standards.
 - 1.5 Identify the parties involved in standard setting – the SEC, AICPA, FASB, and GASB.
 - 1.6 Define what is meant by generally accepted accounting principles (GAAP).
 - 1.7 Identify current issues confronting financial reporting, such as setting standards in a political environment, ethics in the environment of financial accounting, the expectations gap, and future need for international accounting standards.
2. Define and describe the conceptual framework underlying financial accounting.
 - 2.1 Describe the need for a conceptual framework.
 - 2.2 Describe the historical development of the conceptual framework.
 - 2.3 Define and describe the first level of the conceptual pyramid – the basic objectives of financial reporting.
 - 2.4 Define and describe the second level of the conceptual pyramid – the Fundamental concepts consisting of the qualitative characteristics of accounting information and the basic elements of the financial statements.
 - 2.5 Define and describe the third level of the conceptual pyramid – the recognition and measurement concepts consisting of the basic assumptions, principles and constraints of financial reporting.

3. Define and demonstrate the workings of an accounting information system.
 - 3.1 Define the basic terminology of an accounting information system.
 - 3.2 Define the double entry system (debits and credits) and state the rules for double entry as it applies to the basic accounting equation.
 - 3.3 Define and describe the basic financial statements and ownership structure.
 - 3.4 Define and complete the steps of the accounting cycle – 1) analyzing and recording business transactions, 2) posting, 3) trial balance, 4) adjusting entries, 5) adjusted trial balance, 6) preparation of financial statements, 7) closing entries, 8) post closing trial balance, 9) reversing entries.
 - 3.5 Prepare a worksheet as an optional tool in completing the accounting cycle.

4. Measure business income.
 - 4.1 Define and describe the components of an income statement.
 - 4.2 Explain the usefulness and limitations of an income statement.
 - 4.3 Prepare a single step, multiple step and condensed income statement.
 - 4.4 Define and illustrate the treatment of irregular items found on an income statement – discontinued operations and extraordinary gains and losses.
 - 4.5 Identify and explain special reporting issues pertaining to the income statement, such as earnings per share and intraperiod tax allocation.
 - 4.6 Describe and prepare a statement of retained earnings.
 - 4.7 Explain the concept of comprehensive income, and the techniques used to demonstrate its disclosure.

5. Measure the financial position/condition of a business enterprise and perform basic financial statement analysis using financial ratios.
 - 5.1 Define and describe the components/classifications of a balance sheet.
 - 5.2 Explain the usefulness and limitations of a balance sheet.
 - 5.3 Prepare a classified balance sheet.
 - 5.4 Define and describe additional information pertaining to the balance sheet that needs to be reported – such as contingencies, accounting policies, contractual situations, and fair values.
 - 5.5 Identify and explain techniques of financial disclosure – e.g., parenthetical explanations, footnotes, cross referencing, and supporting schedules.
 - 5.6 Perform basic financial statement analysis by computing liquidity, profitability, activity, and coverage ratios.

6. Account for the time value of money.
 - 6.1 Define and describe the basic time value concepts.
 - 6.2 Define and describe the nature of interest.
 - 6.3 Explain the difference between simple and compound interest.
 - 6.4 Compute single sum problems involving future and present value.
 - 6.5 Compute problems involving annuities, both future and present value.
 - 6.6 Solve problems involving business applications and the time value of money, identifying the proper concept to be used in the solution.

6.7 Identify and solve problems involving more complex situations, such as deferred annuities, valuation of long term bonds, and effective amortization of bond/note discount and premium.

7. Account for cash and receivables.

7.1 Explain what is meant by cash, restricted cash, cash equivalents, and bank overdrafts.

7.2 Explain the importance of proper management and control of cash.

7.3 Account for a petty cash fund.

7.4 Prepare bank reconciliations.

7.5 Define accounts receivable, trade discounts, and cash discounts.

7.6 Apply the allowance method in the valuation of accounts receivable.

7.7 Explain and account for the direct write off method pertaining to accounts receivable.

7.8 Define notes receivable, and make appropriate entries pertaining to promissory notes – both short term and long term.

7.9 Explain and illustrate the valuation and reporting of long term notes.

7.10 Define and illustrate the methods of disposition of receivables, including secured borrowings and outright sales.

7.11 Illustrate the presentation of receivables on the balance sheet.

7.12 Compute and explain the importance of the pertinent financial ratios pertaining to receivables.

8. Account for the valuation of inventories.

8.1 Define and describe inventory classifications and the need for inventory control.

8.2 Explain the basic issues involved in inventory valuation.

8.3 Determine the physical goods to be included in inventory dealing with situations involving goods in transit, consignment arrangements, and special sales agreements.

8.4 Determine the costs to be included in inventory.

8.5 Identify and determine the proper cost flow assumption to adopt pertaining to inventory, including special identification, average cost, fifo, and lifo.

8.6 Determine the actual valuation of the inventory under the different inventory costing methods listed above.

8.7 Identify special issues related to the lifo valuation.

8.8 Compute inventory under dollar value lifo.

8.9 Explain the advantages and disadvantages of the lifo method.

9. Account for additional issues involving inventory valuation.

9.1 Define and describe the lower of cost or market (LCM) method.

9.2 Explain the concept of LCM - ceiling and floor.

9.3 Illustrate how LCM works.

9.4 Record inventory at LCM.

- 9.5 Define other inventory valuation bases – net realizable value and relative sales value.
- 9.6 Define and account for purchase commitments.
- 9.7 Use the gross profit method to value inventory.
- 9.8 Use the conventional retail method to value inventory.
- 9.9 Use the LIFO retail method to value inventory.
- 9.10 Illustrate the presentation of inventories on the balance sheet, and required footnote disclosures pertaining to inventory.

- 10. Account for the acquisition and disposition of property, plant and equipment (nonmonetary assets).
 - 10.1 Determine the cost of Land, Buildings and Equipment in routine transactions.
 - 10.2 Explain the handling of interest costs pertaining to self constructed assets.
 - 10.3 Determine the valuation of long term assets involving cash discounts, lump sum purchases, issuances of stock, and in exchange for nonmonetary assets.
 - 10.4 Record transactions involving the exchanges of nonmonetary assets.
 - 10.5 Account for costs subsequent to acquisition, including additions, improvements and replacements, rearrangements and reinstallations, and ordinary and extraordinary repairs.
 - 10.6 Account for the sale of plant assets.

- 11. Explain and account for depreciation, depletion, and impairments of plant assets.
 - 11.1 Define and explain the concept of depreciation.
 - 11.2 Describe the different methods of depreciation, and the process of selecting the appropriate method for various plant assets.
 - 11.3 Determine depreciation under the straight line, production, double declining balance and sum of the years digits methods.
 - 11.4 Record adjustments for depreciation.
 - 11.5 Define and describe special depreciation methods.
 - 11.6 Recognize, measure, and record the impairment of plant assets.
 - 11.7 Define and explain the concept of depletion.
 - 11.8 Compute and record the depletion of natural resources.
 - 11.9 Illustrate the presentation of property, plant and equipment on the balance sheet, and related footnote disclosures, including depreciation.
 - 11.10 Determine depreciation for income tax return – MACRS and modified straight line method.

COURSE TOPICS AND CONTENT REQUIREMENTS:

- 1. Financial Accounting and Accounting Standards
- 2. Conceptual Framework for Financial Reporting
- 3. The Accounting Information System

4. Income Statement and Related Information
5. Balance Sheet
6. Accounting and the Time Value of Money
7. Cash and Receivables
8. Inventories - A Cost Basis Approach
9. Inventories - Additional Valuation Issues
10. Acquisition and Disposition of Property, Plant & Equipment
11. Long Term Assets - Depreciation, Impairments, and Depletion

INSTRUCTIONAL METHODS:

1. Lecture
2. Class discussion
3. Exercises and problems
4. Exams

INSTRUCTIONAL MATERIALS:

INTERMEDIATE ACCOUNTING, 15TH EDITION, KIESO, WEYGANDT, & WARFIELD, JOHN WILEY & SONS. THE ROCKFORD PRACTICE SET, LARRY FALCETTO, JOHN WILEY & SONS.

STUDENT REQUIREMENTS AND METHODS OF EVALUATION:

1. Read and understand text
2. Class participation
3. Complete all homework assignments
4. Four Exams
5. Accounting Cycle Practice Set.

OTHER REFERENCES

Course Competency/Assessment Methods Matrix

ACT 2221 INTERMEDIATE ACCTG I	Assessment Options																																	
For each competency/outcome place an "X" below the method of assessment to be used.	Assessment of Student Learning	Article Review	Case Studies	Group Projects	Lab Work	Oral Presentations	Pre-Post Tests	Quizzes	Written Exams	Artifact Self Reflection of Growth	Capstone Projects	Comprehensive Written Exit Exam	Course Embedded Questions	Multi-Media Projects	Observation	Writing Samples	Portfolio Evaluation	Real World Projects	Reflective Journals	Applied Application (skills) Test	Oral Exit Interviews	Accreditation Reviews/Reports	Advisory Council Feedback	Employer Surveys	Graduate Surveys	Internship/Practicum /Site Supervisor Evaluation	Licensing Exam	In Class Feedback	Simulation	Interview	Written Report	Assignment		
	Direct/ Indirect	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	I	I	I	I	D	D		I				D		
Journalize business transactions									X	X	X		X					X	X										X					X
Journalize adjusting, closing, and reversing entries									X	X	X		X					X	X										X					X
Prepare a worksheet									X	X	X		X					X	X										X					X
Prepare classified financial statements									X	X	X		X					X	X										X					X
Journalize perpetual and periodic invent									X	X	X		X					X	X										X					X
Value inventory using different costing methods									X				X					X	X										X					X
Estimate inventories using the gross profit and retail methods.									X				X					X	X										X					X
Journalize entries for uncollectable accts									X	X	X		X					X	X										X					X
Journalize entries for notes receivable									X	X	X		X					X	X										X					X
Prepare bank reconciliations									X				X					X	X										X					X
Determine the cost of various plant assets									X				X					X	X										X					X
Journalize entries for the acquisition and disposal of plant assets									X	X	X		X					X	X										X					X
Journalize entries for costs subsequent to acquisition for plant assets									X	X	X		X					X	X										X					X

Determine depreciation (and depletion of natural resources) of plant assets using various methods.									X	X	X	X			X	X				X				X
Apply time value of money concepts pertaining to various long term assets.									X	X	X	X			X	X				X				X
Identify accounting standards & concepts.									X	X	X	X			X	X				X				X

		Assessment Options																																	
For each competency/outcome place an "X" below the method of assessment to be used.	Assessment of Student Learning	Article Review	Case Studies	Group Projects	Lab Work	Oral Presentations	Pre-Post Tests	Quizzes	Written Exams	Artifact Self Reflection of Growth	Capstone Projects	Comprehensive Written Exit Exam	Course Embedded Questions	Multi-Media Projects	Observation	Writing Samples	Portfolio Evaluation	Real World Projects	Reflective Journals	Applied Application (skills) Test	Oral Exit Interviews	Accreditation Reviews/Reports	Advisory Council Feedback	Employer Surveys	Graduate Surveys	Internship/Practicum /Site Supervisor Evaluation	Licensing Exam	In Class Feedback	Simulation	Interview	Written Report	Assignment			
	Direct/Indirect	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	I	I	I	I	D	D		I							D

