

COURSE OUTLINE **Accounting II**

Course Description

BA127. Accounting 2. 3 hours credit. Prerequisites: BA126 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.. *Accounting*. Mason, OH: South-Western Cengage Learning Publishing Company

* - For complete textbook information, refer to <http://www.butlercc.bkstr.com>

"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 a 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. Prepare financial statements for partnerships and corporations.

Learning PACT Skills that will be developed and documented in this course:

Through involvement in this course, the student will develop ability in the following PACT skill area(s):

Analytical Thinking Skills

1. Problem solving
 - By applying skills learned in lessons, students use techniques to correctly analyze and record business transactions for partnership, LLC's, and corporations and to prepare the financial statements.

Major Summative Assessment Task(s)

These learning outcome(s) and the Learning PACT skill(s) will be demonstrated by:

1. Completing a standard departmental project that measures the student's ability to journalize business transactions in accordance with GAAP (Generally Accepted Accounting Principles) and to prepare financial statements.

Course Content

- I. 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, partnerships and limited liability corporations
 - B. Describe and illustrate the accounting for forming a partnership and for dividing the net income and net loss of a partnership
 - C. Describe and illustrate the accounting for liquidating a partnership
 - D. Prepare financial statements for a partnership
 - E. Describe and illustrate accounting for dividing limited liability corporations net income and net loss, and statement of member's equity
 - F. Journalize for the admission of a new partner and withdrawal of a partner
- II. Corporations: Organization, Stock Transactions and Dividends
 - A. Describe the characteristics of a corporation
 - B. Describe the two main sources of stockholder's equity
 - C. Describe and illustrate the characteristics of stock, classes of stock, and entries for issuing stock
 - D. Calculate the amount of cash dividend in total and per share
 - E. Calculate and journalize cash dividends and stock dividends
 - F. Illustrate the procedures in recording the sale/purchase of treasury stock
 - G. Explain the effects of a stock split on corporate financial statements
 - H. Prepare a Statement of Retained Earnings and the Stockholders Equity section of the balance sheet
- III. Long-Term Liabilities: Bonds and Notes
 - 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
 - D. Journalize the entries for bonds payable and interest payments.
 - E. Describe and illustrate the accounting for installment notes.
 - F. Describe and illustrate the reporting of long-term liabilities including bonds and notes payable

- IV. Investments and Fair Value Accounting
 - A. Describe why companies invest in debt and equity securities
 - B. Describe and illustrate the accounting for debt investments and equity investments
 - C. Describe and illustrate valuing and reporting investments in the financial statements
 - D. Describe fair value accounting and its implication for the future

- V. Statement of Cash Flows
 - A. Explain the types of cash flow activities reported in the statement of cash flows (operating, investing and financing)
 - B. Prepare a statement of cash flows using the direct and indirect methods

- 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
 - F. Prepare income statements that include the accounting for unusual items and earnings per share data

- VII. Managerial Accounting Concepts and Principles
 - A. Compare and contrast managerial accounting and financial accounting
 - B. Distinguish between product costs and period costs
 - C. Distinguish between direct and indirect costs
 - D. Describe and illustrate the financial statements for a manufacturing business
 - E. Describe the use of managerial accounting information

- VIII. Job Order Costing
 - A. Describe and illustrate a job order cost accounting system
 - B. Analyze and prepare journal entries for a job order cost system
 - C. Diagram the cost flows for a job order cost system
 - D. Prepare a job order cost sheet
 - E. Use job order cost information for decision making
 - F. Calculate and apply factory overhead to each job

- 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. Prepare a Cost of Production Report for decision making
 - D. Journalize the entries for transactions of a process manufacturer

Learning Activities

Learning activities will be geared toward techniques used to help the student analyze and properly record 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 throughout 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.