



Western Technical College

## 10101124 Accounting Principles 2

### Course Outcome Summary

#### Course Information

<b>Description</b>	This course presents basic concepts for partnerships and corporations. The learner will study accounting procedures for corporate stock, dividends, retained earnings, liabilities, investments, fixed assets, and periodic inventory. The learner will apply knowledge in the completion of two simulations.
<b>Career Cluster</b>	Finance
<b>Instructional Level</b>	Associate Degree Courses
<b>Total Credits</b>	4
<b>Total Hours</b>	90

#### Pre/Corequisites

Prerequisite 10101114 Accounting Principles 1

#### Textbooks

*Accounting (Loose-Leaf)*. 29th Edition. Copyright 2023. Warren, Carl, Jefferson P. Jones, and William B. Taylor. Publisher: Cengage Learning. **ISBN-13:** 979-8-214-03819-3. Optional.

*CNOWv2 for Accounting – 2 Terms*. Copyright 2024. Warren, Carl, Jefferson P. Jones, and William B. Taylor. Publisher: Cengage Learning. **ISBN-13:** 978-0-357-89968-7. Required.

#### Learner Supplies

Ruler. **Vendor:** Campus Shop. Required.

Calculator. **Vendor:** Campus Shop. Required.

Two – One-inch binders. **Vendor:** Campus Shop. Required.

## Success Abilities

1. Refine Professionalism: Improve Critical Thinking

## Course Competencies

### 1. Evaluate inventory systems.

#### Assessment Strategies

- 1.1. Activity
- 1.2. Written Objective Test

#### Criteria

*You will know you are successful when*

- 1.1. you identify account titles for a periodic inventory system.
- 1.2. you identify normal balances for accounts used in periodic inventory system.
- 1.3. you prepare merchandising journal entries to include adjusting and closing entries.

#### Learning Objectives

- 1.a. prepares a multiple-step income statement for a company using the periodic inventory system.
- 1.b. completes merchandising journal entries under the periodic inventory system.

### 2. Evaluate plant assets and intangible assets.

#### Assessment Strategies

- 2.1. Activity
- 2.2. Written Objective Test
- 2.3. Project

#### Criteria

*You will know you are successful when*

- 2.1. you classify plant assets and describe the accounting for their cost.
- 2.2. you compute depreciation using straight-line method, units of production method, and double declining balance method.
- 2.3. you classify plant assets costs as either capital or revenue expenditures.
- 2.4. you classify a lease and summarize the accounting rules related to the leasing of plant assets.
- 2.5. you identify internal control over plant assets and provide examples of such controls.
- 2.6. you compute depletion and journalize entry for depletion.
- 2.7. you journalize the entries for acquiring and amortizing intangible assets.

#### Learning Objectives

- 2.a. Calculate depreciation using straight-line depreciation, units of production, and double declining balance
- 2.b. Record journal entries for acquisition, depreciation, and sale of plant assets
- 2.c. Calculate amortization and depletion
- 2.d. Record journal entries for natural resources and for intangible assets
- 2.e. Identify differences in capital and operating leases
- 2.f. List internal control techniques for plant assets
- 2.g. Use accounting terminology

### 3. Explore short-term and long-term liabilities including bonds payable.

#### Assessment Strategies

- 3.1. Activity
- 3.2. Written Objective Test
- 3.3. Project

## Criteria

*You will know you are successful when*

- 3.1. you compute the potential impact of long-term borrowing on the earnings per share of a corporation.
- 3.2. you classify the characteristics of bonds.
- 3.3. you journalize entries for bonds payable.
- 3.4. you journalize entries to record short-term notes payable and product warranties.

## Learning Objectives

- 3.a. Complete a plan for financing a corporation including earnings per share data
- 3.b. Illustrate the characteristics of bonds
- 3.c. Record journal entries for purchase, interest, discount, and premium of bonds payable
- 3.d. Use accounting terminology
- 3.e. Complete journal entries for short-term notes payable and product warranties.

## 4. Illustrate investments in bonds and stocks.

### Assessment Strategies

- 4.1. Activity
- 4.2. Written Objective Test
- 4.3. Project

## Criteria

*You will know you are successful when*

- 4.1. you journalize entries for purchase of bond investments.
- 4.2. you journalize entries for recording interest, discounts, premiums, and sale of bond investments.
- 4.3. you describe bond sinking fund.
- 4.4. you journalize entries for long-term investments in stocks, using the cost and equity methods.

## Learning Objectives

- 4.a. Complete journal entries for purchase of stock and bond investments, for interest, premium, and discounts on bond investments, for sale of stocks and bond investments, and for dividend received on stock investments
- 4.b. Describe business combinations
- 4.c. Prepare simple consolidated financial statements
- 4.d. Compute carrying value for trading securities, available-for-sale securities, and held-to-maturity securities
- 4.e. Use accounting terminology

## 5. Identify generally accepted accounting principles and concepts

### Assessment Strategies

- 5.1. Activity
- 5.2. Project

## Criteria

*You will know you are successful when*

- 5.1. you identify the nature of accounting concepts and principles.
- 5.2. you identify and apply ten basic accounting concepts and principles: business entity, going concern, objectivity, unit of measurement, accounting period, matching, adequate disclosure, consistency, materiality and conservatism.
- 5.3. you identify the role of auditing in attesting to the fairness of financial statements.

## Learning Objectives

- 5.a. Explain the organizations responsible for setting accounting standards
- 5.b. Summarize the business entity concept, going concern concept, objectivity concept, unit of measurement concept including constant dollar and current cost date, and accounting period concept
- 5.c. Summarize matching concept including the various methods of revenue recognition and expense recognition
- 5.d. Summarize adequate disclosure concept including accounting methods, changes in accounting estimates, contingent liabilities, financial instruments, segments of a business, and events subsequent to the date of the statements

- 5.e. Use accounting terminology
- 5.f. Summarize consistency concept, materiality concept, and conservatism concept
- 5.g. Assess the role of the audited financial statements

## **6. Summarize the formation, income division, and liquidation of partnerships.**

### **Assessment Strategies**

- 6.1. Activity
- 6.2. Written Objective Test

### **Criteria**

*You will know you are successful when*

- 6.1. you identify and list the basic characteristics of the partnership.
- 6.2. you journalize the entries for the formation of partnerships.
- 6.3. you journalize the entries for dividing partnership net income and net loss.
- 6.4. you journalize the entries for partnership dissolution, including admission of new partners, and the withdrawal or death of partners.
- 6.5. you journalize the entries for liquidating a partnership.

### **Learning Objectives**

- 6.a. Sketch the basic characteristics of a partnership
- 6.b. Calculate the split of partnership income according to the partnership agreement
- 6.c. Complete journal entries for the formation of a new partnership and the partnership income
- 6.d. Complete journal entries for splitting the net income and net loss
- 6.e. Calculate bonuses to partners when admitting new partners or withdrawals of old partners
- 6.f. Complete journal entries for partnership dissolutions, including admission of new partners and withdrawal or death of partners
- 6.g. Calculate liquidation of a partnership
- 6.h. Complete journal entries for a liquidation of a partnership
- 6.i. Use accounting terminology

## **7. Explore the issues related to corporations.**

### **Assessment Strategies**

- 7.1. Activity
- 7.2. Written Objective Test
- 7.3. Project

### **Criteria**

*You will know you are successful when*

- 7.1. you identify the nature of the corporate form of organization.
- 7.2. you classify the two main sources of stockholders equity.
- 7.3. you classify the major sources of paid-in capital, including the various classes of stock.
- 7.4. you journalize the entries for issuing stock, treasury and appropriation of retained earnings.
- 7.5. you journalize the entries for cash dividends.
- 7.6. you state the effect of stock splits on the corporation's equity section.
- 7.7. you journalize the entries for corporate income taxes, including deferred income taxes.

### **Learning Objectives**

- 7.a. Complete journal entries for issuing stock in a corporation, for treasury stock in a corporation, for cash and stock dividends, and for appropriations of retained earnings
- 7.b. Explain the nature of the corporation
- 7.c. Compare the two main sections of a corporation equity section of the balance sheet
- 7.d. Describe the effects of stock splits on the corporate financial statements
- 7.e. Calculate corporate taxable income and corporate deferred income taxes
- 7.f. Complete journal entries for corporate income taxes
- 7.g. Use accounting terminology

## **8. Prepare financial statements for a corporation.**

### **Assessment Strategies**

- 8.1. Activity
- 8.2. Project

## Criteria

*You will know you are successful when*

- 8.1. you identify what information is found in the income statement including earnings per share data.
- 8.2. you prepare a multiple-step income statement including and earnings per share data.
- 8.3. you identify what information is found on a retained earnings statement.
- 8.4. you prepare a retained earnings statement.
- 8.5. you identify what information is found on a balance sheet for a corporation including receivables
- 8.6. you identify what information is found on a balance sheet for a corporation, including plant and intangible assets and long-term liabilities.
- 8.7. you prepare a balance sheet for a corporation.

## Learning Objectives

- 8.a. Complete an income statement including earnings per share, a retained earnings statement, and a balance sheet for a corporation
- 8.b. Analyze financial statements
- 8.c. Use accounting terminology