Syllabus

ACC 201 Intermediate Accounting I

General Information

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Department Business

Course Prefix ACC

Course Number 201

Course Title Intermediate Accounting I

Course Information

Catalog Description Intermediate Accounting I stresses a broader application of accounting principles. Theory is emphasized as it relates to valuation and changes in the financial position and operations of the business entity. Students will evaluate financial statements of business entities both quantitatively and qualitatively to expand their knowledge base regarding Generally Accepted Accounting Principles (GAAP) while learning how to adapt to changes in the standards of accounting practice.

Credit Hours 4

Lecture Contact Hours 4

Lab Contact Hours 0

Other Contact Hours 0

Grading Scheme Letter

Prerequisites

ACC 102 or an A- or better in ACC 101.

Co-requisites

ACC 102

First Year Experience/Capstone Designation

This course DOES NOT satisfy the outcomes applicable for status as a FYE or Capstone.

SUNY General Education

This course is designated as satisfying a requirement in the following SUNY Gen Ed categories
None

FLCC Values

Institutional Learning Outcomes Addressed by the Course
Vitality, Inquiry, Perseverance, and Interconnectedness

Course Learning Outcomes

Course Learning Outcomes

1. Students will be able to identify current issues in the accounting profession
2. Students will be able to construct a complete set of financial statements
3. Students will be able to identify and account for business transactions.
4. Students will demonstrate the ability to apply present and future value concepts to accounting transactions
5. Students will be able to identify and explain issues in the Conceptual Framework as set forth by the Financial Accounting Standards Board

Outline of Topics Covered

1. Financial Accounting and Accounting Standards

a. Understanding the financial reporting environment

b. Identifying the major policy-setting bodies and their role in the standard-setting process.

c. Generally Accepted Accounting Principles (GAAP) and the Financial Accounting Standards Board (FASB) Codification.

d. The major challenges in the financial reporting environment.

e. Ethics cases

2. Conceptual Framework for Financial Reporting

a. The usefulness of a conceptual framework.

b. The objective of financial reporting.

c. The qualitative characteristics of accounting information.

d. The basic elements of financial statements.

e. The basic assumptions of accounting.

f. The application of the basic principles of accounting.

g. The impact that the cost constraint has on reporting accounting information

3. The Accounting Information System

a. The basic accounting information system.

b. Recording and summarizing basic transactions.

c. Identifying and preparing adjusting entries.

d. Preparing financial statements from the adjusted trial balance.

e. Preparing closing entries.

f. Preparing financial statements for a merchandising company

4. Income Statement and Related Information

a.The uses and limitations of an income statement.

b. The content of the income statement.

c. Preparing an income statement.

1. Single step-income statement
2. Multiple-step income statement

d. Reporting various income items.

1. Unusual and infrequent gains and losses
2. Discontinued operations
3. Non-controlling interest
4. Earnings per share

e. The reporting of accounting changes and errors.

1. Changes in accounting principle (GAAP).
2. Changes in accounting estimates.
3. Correction of errors

f. Preparing a retained earnings statement.

1. Restrictions of Retained Earnings
2. Appropriated Retained Earnings

g. Reporting other comprehensive income

1. Other comprehensive income.
2. One (single) statement format
3. Two (second) statement format
3. Statement of Stockholders' Equity
4. Balance Sheet presentation

5. Balance Sheet and Statement of Cash Flows

a. The uses and limitations of a balance sheet.

1. Liquidity
2. Solvency
3. Financial flexibility
4. Historical cost limitations
5. The use of judgments and estimates
6. Omission of items with financial value

b. Identifying the major classifications of the balance sheet.

c. Preparing a classified balance sheet using the report and account formats.

d. Identifying the purpose and content of the statement of cash flows.

e. Preparing a basic statement of cash flows.

1. Operating activities
2. Investing activities
3. Financing activities
4. Noncash investing and financing activities
5. Net increase/decrease in cash
6. Free cash flow

f. Understanding the usefulness of the statement of cash flows.

g. Determining which balance sheet information requires supplemental disclosure.

1. Contingencies
2. Accounting policies
3. Contractual situations
4. Fair Values

h. Describing the major disclosure techniques for the balance sheet.

1. Parenthetical explanations

2. Notes
3. Cross-reference and contra items
4. Supporting Schedules
5. Terminology

i. Ratio analysis

1. Liquidity Ratios
2. Activity Ratios
3. Profitability Ratios
4. Coverage Ratios

6. Accounting and the Time Value of Money

a. The fundamental concepts related to the time value of money.

1. Simple interest
2. Compound interest
3. Using the factor tables
4. Fundamental variables

b. Solving the future and the present value of 1

1. The unknown problems of single-sum problems

c. Solving the future value of ordinary and annuity due problems.

d. Solving present value of ordinary and annuity due problems.

e. Solving present value problems related to deferred annuities, bonds, and expected cash flows.

1. Deferred annuities
2. Long-term bonds
3. Effective-interest method, bond discounts, or premium amortization
4. Present value measurement

7. Cash and Receivables

a. Reporting cash and related items.

1. Cash Equivalents
2. Restricted cash
3. Bank overdrafts

b. Receivables and accounting issues related to their recognition.

1. Current and noncurrent receivables
2. Nontrade receivables
3. Trade and cash (sales discounts) discounts
4. Sales returns and allowances
5. Time value of money

c. Accounting issues related to the valuation of accounts receivable.

1. Direct write-off method for uncollectible account
2. Allowance method for uncollectible accounts
3. Recovery of an uncollectible account

4 Estimating the allowance,

d. Accounting issues related to recognition, valuation, and d of notes receivable.

1. Promissory note
2. Interest-bearing note
3. Zero-interest bearing notes
4. Notes exchanged for property, goods, or service,

e. The fair value option.

f. Accounting issues related to the disposition of accounts and notes receivable.

1. Sale of receivables
2. Secured borrowing

g. Reporting and analyzing receivables.

1. Accounts receivable turnover ratio
2. Average days to collect receivables or days outstanding

h. Common techniques to control cash

a. Petty cash

c. Bank reconciliation

8. Valuation of Inventories: A Cost-Basis Approach

a. Inventory classifications and different inventory systems.

1. Perpetual inventory system
2. Periodic inventory system
3. Modified perpetual inventory system

b. Determine the goods and costs included in inventory.

1. Goods in transit
2. Consigned goods
3. Sales with a repurchase agreement
4. Sales with high rates of return
5. Product costs
6. Period Costs
7. Purchase discounts using gross and net methods

c. Describe and compare the cost flow assumptions used to account for inventories.

1. Average-cost method
2. Weighted-average method
3. First-In, First-Out (FIFO) method
4. Last-In, First-Out (LIFO) method

d. Identify special issues related to LIFO.

1. LIFO reserve
2. LIFO liquidation
3. Dollar-Value LIFO
4. Using the Price Index

f.Determine the effects of inventory errors on the financial statements

1. Understated and overstated inventory.

9. Inventories: Additional Valuation Issues

a. The lower-of-cost-or-net realizable value (NRV) rule.

b. The lower-of-cost-or-market (LCM) rule.

1. Upper limit (ceiling) and lower limit (floor)

c. Other inventory valuation issues.

1. Net realizable values
2. Relative sales value
3. Purchase commitments

d. Applying the gross profit method.

1. Gross profit on selling price
2. Percentage Markup on cost

e. Applying the retail inventory method.

1. Markups and Markdowns—Conventional method

2. Special items

f. Reporting and analyzing inventory.

1. Inventory turnover ratio

2. Average days to sell inventory

10. Acquisition and Disposition of Property, Plant, and Equipment

a. Property, plant, and equipment and its related costs.

b. accounting problems associated with self-constructed assets.

c. accounting problems associated with interest capitalization.

1. Qualifying assets

2. Capitalization period

3. Amount to capitalize

a. Avoidable interest

b. Weighted –average accumulate expenditures

c. Interest rates and capitalization of interest

d. Accounting issues related to acquiring and valuing plant assets.

1. Cash discounts

2. Deferred-payment contracts

3. Lump-sum purchases

4. Issuance of stock

5. Trading nonmonetary assets at a loss/gain

6. Commercial Substance

7. Contributions

e. Accounting treatment for costs subsequent to acquisition.

1. Distinguishing between capital expenditure (asset) and revenue expenditure (expense)

a. Additions

b. Improvements and replacements

c. Rearrangement and Reinstallation

d. Repairs

f. Accounting treatment for the disposal of property, plant, and equipment.

        1. Sale of plant assets showing a gain or loss
        2. Involuntary conversion due to loss from fire, flood, theft, or condemnation

11. Depreciation, Impairments, and Depletion
    a. Depreciation concepts and methods of depreciation.
        1. Depreciable base for an asset
        2. Salvage value
        3. Estimating useful life
            a. Inadequacy
            b. Supersession
            c. Obsolescence
        3. Methods of depreciation
            a. Sum-of-the-years'-digit (accelerated)
            b. Declining-balance method (accelerated)
            c. Straight-line method
            d. Activity Method
            e. Group and composite methods
            f. Hybrid or combination methods
    b. Special depreciation methods and other depreciation issues.
        1. Group and composite methods
        2. Hybrid or combination methods
        2. Partial periods
        4. Replacement
        5. Revising depreciation rates
    c. Accounting issues related to asset impairment.
        1. Recoverability test
        2. Measuring impairment loss
    d. Accounting procedures for the depletion of natural resources.
        1. Creating a depletion base
            a. Acquisition costs
            b. Exploration costs

c. Development costs

d. Restoration costs

2. Write-offs of resource costs

e. Reporting and analyzing property, plant, equipment, and natural resource

1. Asset turnover ratio

2. Profit margin on Sales ratio

3. Return on assets

12. Intangible Assets

a. The characteristics, valuation, and amortization of intangible assets.

1.Valuation of intangibles

2. limited-life intangibles

2. Indefinite-life intangibles

a. Impairment test

b. Accounting for various types of intangible assets.

1. Marketing-related intangible assets.

a. Trademark or tradename

b. Domain names

c. Company names

2. Customer-related intangible assets.

a. Customer lists

b. Order or production backlogs

c. Contractual and non-contractual customer relationships

3. Artistic-related intangible assets.

a. Copyrights

4. Contract-related intangible assets.

a. Franchises

b. Licensing agreements

c. Construction permits

d. Broadcast rights

e. Service and supply contracts

5. Technology-related intangible assets.

a. Patent

6. Goodwill

a. Goodwill write-off

b. Bargain purchase

c. Internally created goodwill

c. Accounting issues for recording goodwill.

1. Goodwill write-off

2. Bargain purchase

3. Internally created goodwill

d. Impairment procedures and presentation requirements for intangible assets.

1. Fair value test

2. Recoverability test

e. Accounting and presentation for research and development and similar costs.

1. Start-up costs for a new operation

2. Initial operating losses

3. Advertising costs

4. Computer software cost

13. Introduction to Data Analytics in Accounting

1. Excel spreadsheets

2. Other various analytics throughout the course

14. Professional Writing Pertaining to Accounting

Program Affiliation

This course is required as a core program course in the following program(s)

AAS Accounting