

ITT Technical Institute
AC1320
Accounting Principles II
Onsite and Online Course

SYLLABUS

Credit hours: 4.5

Contact/Instructional hours: 56 (34 Theory Hours, 22 Lab Hours)

Prerequisite(s) and/or Corequisite(s):

Prerequisites: AC1220 Accounting Principles I or equivalent

Course Description:

This course expands on the concepts taught in Accounting Principles I, and includes a broader analysis of financial statements and their components. Students study differences between long and short-term liabilities, stocks and bonds, and the uses of management versus financial accounting.

COURSE SUMMARY

COURSE DESCRIPTION

This course expands on the concepts taught in Accounting Principles I, and includes a broader analysis of financial statements and their components. Students study differences between long and short-term liabilities, stocks and bonds, and the uses of management versus financial accounting.

MAJOR INSTRUCTIONAL AREAS

1. Fundamental Principles of Accounting as per the FASB (Financial Accounting Standards Board)
2. Ethical Issues in Accounting
3. Internal Controls and Cash
4. Inventory and Receivables
5. Plant Assets
6. Liabilities

COURSE LEARNING OBJECTIVES

By the end of this course, you should be able to:

1. Discuss merchandising operations, including perpetual and periodic inventory systems.
2. Examine the accounting principles that affect inventories.
3. Calculate the current ratio and the debt ratio.
4. Examine the components and control procedures of internal control.
5. Discuss how the Sarbanes-Oxley Act has changed accounting.
6. Prepare a bank reconciliation and related journal entries.
7. Discuss common types of receivables, including necessary internal controls.
8. Prepare various journal entries relating to bad debts, notes receivable, and the purchase and sale of assets and depreciation expense using different methods of depreciation.
9. Calculate current liabilities, including contingencies.
10. Calculate payroll and payroll taxes.

COURSE OUTLINE

MODULE 1: MERCHANDISE INVENTORY

COURSE LEARNING OBJECTIVES COVERED

- Discuss merchandising operations, including perpetual and periodic inventory systems.
- Examine the accounting principles that affect inventories.

TOPICS COVERED

- Merchandise Inventory Cost
- Lower-of-Cost Rule
- Inventory Turnover and Day's Sale

MODULE LEARNING ACTIVITIES	GRADED	OUT-OF-CLASS TIME
Reading: Miller-Nobles, Mattison, & Matsumura, Chapter 6.	No	4.5 hr
Reading: ITT Tech Virtual Library> Basic Search> “RFID-Enabled Visibility and Retail Inventory Record Inaccuracy: Experiments in the Field”	No	1 hr
Lesson: Study the lesson for this module.	No	1.5 hr
Discussion: Participate in the discussion titled “Accounting Inventory Methods.”	Yes	N/A
Lab: Complete the lab titled “Accounting Inventory Principles.”	Yes	N/A
Quiz: Prepare for Quiz 1.	No	2 hr

Total Out-Of-Class Activities: 9 Hours

MODULE 2: ACCOUNTING INFORMATION SYSTEMS

COURSE LEARNING OBJECTIVES COVERED

- Discuss merchandising operations, including perpetual and periodic inventory systems.
- Examine the accounting principles that affect inventories.
- Calculate the current ratio and the debt ratio.
- Examine the components and control procedures of internal control.

TOPICS COVERED

- Manual Accounting Information Systems
- Computerized Accounting Information Systems

MODULE LEARNING ACTIVITIES	GRADED	OUT-OF-CLASS TIME
Reading: Miller-Nobles, Mattison, & Matsumura, Chapter 7.	No	7 hr
Reading: ITT Tech Virtual Library> Basic Search> <ul style="list-style-type: none"> • “Inventory Valuation Under IFRS and GAAP” • “How Big Data Will Change Accounting” 	No	3 hr
Lesson: Study the lesson for this module.	No	2 hr
Discussion: Participate in the discussion titled “Accounting Safeguards.”	Yes	N/A
Quiz: Take Quiz 1.	Yes	N/A
Lab: Complete the lab titled “Accounts Receivable.”	Yes	N/A
Quiz: Prepare for Quiz 2.	No	2 hr

Total Out-Of-Class Activities: 14 Hours

MODULE 3: INTERNAL CONTROL AND CASH

COURSE LEARNING OBJECTIVES COVERED

- Calculate the current ratio and the debt ratio.
- Examine the components and control procedures of internal control.
- Discuss how the Sarbanes-Oxley Act has changed accounting.
- Prepare a bank reconciliation and related journal entries.

TOPICS COVERED

- Internal Control Methods
- Petty Cash Fund
- Bank Account
- Cash Ratio

MODULE LEARNING ACTIVITIES	GRADED	OUT-OF-CLASS TIME
Reading: Miller-Nobles, Mattison, & Matsumura, Chapter 8.	No	7 hr
Reading: ITT Tech Virtual Library> Basic Search> “Does SOX 404 Have Teeth? Consequences of the Failure to Report Existing Internal Control Weaknesses”	No	4 hr
Lesson: Study the lesson for this module.	No	2 hr
Discussion: Participate in the discussion titled “Sarbanes-Oxley Act.”	Yes	1 hr
Quiz: Take Quiz 2.	Yes	N/A
Lab 1: Complete the lab titled “Internal Controls.”	Yes	N/A
Lab 2: Complete the lab titled “Controlling Petty Cash.”	Yes	N/A
Quiz: Prepare for Quiz 3.	No	2 hr

Total Out-Of-Class Activities: 16 Hours

MODULE 4: RECEIVABLES

COURSE LEARNING OBJECTIVES COVERED

- Examine the components and control procedures of internal control.
- Discuss how the Sarbanes-Oxley Act has changed accounting.
- Prepare a bank reconciliation and related journal entries.
- Discuss common types of receivables, including necessary internal controls.
- Prepare various journal entries relating to bad debts, notes receivable, and the purchase and sale of assets and depreciation expense using different methods of depreciation.

TOPICS COVERED

- Credit Sales
- Direct Write Off Method
- Allowance Method
- Acid-Test Ratio
- Accounts Receivable Turnover Ratio

MODULE LEARNING ACTIVITIES	GRADED	OUT-OF-CLASS TIME
Reading: Miller-Nobles, Mattison, & Matsumura, Chapter 9.	No	7 hr
Reading: ITT Tech Virtual Library> Basic Search> <ul style="list-style-type: none"> • “Shining a Light on Receivables” • “The Timeliness of Accounting Write-Downs by U.S. Financial Institutions During the Financial Crisis of 2007-2008” 	No	5 hr
Lesson: Study the lesson for this module.	No	2 hr
Discussion: Participate in the discussion titled “Write Off or Sales Allowance.”	Yes	N/A
Quiz: Take Quiz 3.	Yes	N/A
Lab 1: Complete the lab titled “Ratio Data.”	Yes	N/A
Lab 2: Complete the lab titled “Bad Debts.”	Yes	N/A
Quiz: Prepare for Quiz 4.	No	2 hr

Total Out-Of-Class Activities: 16 Hours

MODULE 5: ASSETS AND INTANGIBLES

COURSE LEARNING OBJECTIVES COVERED

- Discuss common types of receivables, including necessary internal controls.
- Prepare various journal entries relating to bad debts, notes receivable, and the purchase and sale of assets and depreciation expense using different methods of depreciation.

TOPICS COVERED

- Plant Asset Cost
- Depreciation
- Natural Resources Accounting
- Intangible Assets Accounting
- Asset Turnover Ratio

MODULE LEARNING ACTIVITIES	GRADED	OUT-OF-CLASS TIME
Reading: Miller-Nobles, Mattison, & Matsumura, Chapter 10.	No	6 hr
Reading: ITT Tech Virtual Library> Basic Search> <ul style="list-style-type: none"> • “A Diagnostic for Earnings Management Using Changes in Asset Turnover and Profit Margin” • “The Accounting Treatment of Asset Depreciation and the Impact on Result” 	No	4 hr
Lesson: Study the lesson for this module.	No	2 hr
Discussion: Participate in the discussion titled “Assets Acquisition.”	Yes	N/A
Quiz: Take Quiz 4.	Yes	N/A
Lab 1: Complete the lab titled “Assets Costs and Trade.”	Yes	N/A
Lab 2: Complete the lab titled “Plant Assets and Intangible Assets.”	Yes	N/A
Final Exam: Prepare for the final exam.	No	5 hr

Total Out-Of-Class Activities: 17 Hours

MODULE 6: CURRENT LIABILITIES AND PAYROLL

COURSE LEARNING OBJECTIVES COVERED

- Discuss merchandising operations, including perpetual and periodic inventory systems.
- Examine the accounting principles that affect inventories.
- Calculate the current ratio and the debt ratio.
- Examine the components and control procedures of internal control.
- Discuss how the Sarbanes-Oxley Act has changed accounting.
- Prepare a bank reconciliation and related journal entries.
- Discuss common types of receivables, including necessary internal controls.
- Prepare various journal entries relating to bad debts, notes receivable, and the purchase and sale of assets and depreciation expense using different methods of depreciation.
- Calculate current liabilities, including contingencies.
- Calculate payroll and payroll taxes.

TOPICS COVERED

- Current Liabilities Accounting
- Payrolls
- Contingent Liabilities Accounting
- Times-Interest-Earned Ratio

MODULE LEARNING ACTIVITIES	GRADED	OUT-OF-CLASS TIME
Reading: Miller-Nobles, Mattison, & Matsumura, Chapter 11.	No	5 hr
Reading: ITT Tech Virtual Library> Basic Search> “Hey, You, Get Onto My Cloud”	No	0.5 hr
Lesson: Study the lesson for this module.	No	1.5 hr
Lab: Complete the lab titled “Liabilities and Payroll Deductions.”	Yes	N/A
Final Exam: Take the final exam.	Yes	N/A

Total Out-Of-Class Activities: 7 Hours

EVALUATION AND GRADING

EVALUATION CRITERIA

The graded assignments will be evaluated using the following weighted categories:

CATEGORY	WEIGHT
Discussion	15%
Lab	35%
Quiz	25%
Final Exam	25%
TOTAL	100%

GRADE CONVERSION

The final grades will be calculated from the percentages earned in the course, as follows:

GRADE	PERCENTAGE
A (4.0)	90–100%
B+ (3.5)	85–89%
B (3.0)	80–84%
C+ (2.5)	75–79%
C (2.0)	70–74%
D+ (1.5)	65–69%
D (1.0)	60–64%
F (0.0)	<60%

LEARNING MATERIALS AND REFERENCES

REQUIRED RESOURCES

COMPLETE TEXTBOOK PACKAGE

- Miller-Nobles, T. L., Mattison, B. L., & Matsumura, E. M. (2016). *Horngren's accounting* (11th ed.). Prentice Hall.

RECOMMENDED RESOURCES

- ITT Tech Virtual Library (accessed via Student Portal | <https://studentportal.itt-tech.edu>)
 - Basic Search>
 - Gale, S. F. (2014). Hey, you, get onto my cloud *Workforce*, 93(8), 44.
 - Hardgrave, B. C., Aloysius, J. A., & Goyal, S. (2013). RFID-enabled visibility and retail inventory record inaccuracy: experiments in the field. *Production & Operations Management*, 22(4), 843-856.
 - Jansen, I. P., Ramnath, S., & Yohn, T. L. (2012). A diagnostic for earnings management using changes in asset turnover and profit margin. *Contemporary Accounting Research*, 29(1), 221-251.
 - Kelly, S. (2015). Shining a light on receivables. *Treasury & Risk*, 2-11.
 - Krishnan, S., & Ping, L. (2012). Inventory valuation under IFRS and GAAP. *Strategic Finance*, 93(9), 51-58.
 - Rice, S. C., Weber, D. P., & Biyu, W. (2015). Does SOX 404 have teeth? Consequences of the failure to report existing internal control weaknesses. *Accounting Review*, 90(3), 1169-1200.
 - Vyas, D. (2011). The timeliness of accounting write-downs by U.S. financial institutions during the financial crisis of 2007-2008. *Journal of Accounting Research*, 49(3), 823-860.
 - Warren, J. D., Moffitt, K. C., & Byrnes, P. (2015). How big data will change accounting. *Accounting Horizons*, 29(2), 397-407.
 - Zuca, M. R. (2013). The accounting treatment of asset depreciation and the impact on result. *Annals of the University of Petrosani Economics*, 13(2), 271-280.

INSTRUCTIONAL METHODS AND TEACHING STRATEGIES

The curriculum employs a variety of instructional methods that support the course objectives while fostering higher cognitive skills. These methods are designed to encourage and engage you in the learning process in order to maximize learning opportunities. The instructional methods include but are not limited to lectures, collaborative learning options, use of technology, and hands-on activities.

To implement the above-mentioned instructional methods, this course uses several teaching strategies, such as critical thinking, numerical problems, and lessons. Your progress will be regularly assessed through a variety of assessment tools including discussions, labs, quizzes, and a final exam.

OUT-OF-CLASS WORK

For purposes of defining an academic credit hour for Title IV funding purposes, ITT Technical Institute considers a quarter credit hour to be the equivalent of: (a) at least 10 clock hours of classroom activities and at least 20 clock hours of outside preparation; (b) at least 20 clock hours of laboratory activities; or (c) at least 30 clock hours of externship, practicum or clinical activities. ITT Technical Institute utilizes a “time-based option” for establishing out-of-class activities which would equate to two hours of out-of-class activities for every one hour of classroom time. The procedure for determining credit hours for Title IV funding purposes is to divide the total number of classroom, laboratory, externship, practicum and clinical hours by the conversion ratios specified above. A clock hour is 50 minutes.

A credit hour is an artificial measurement of the amount of learning that can occur in a program course based on a specified amount of time spent on class activities and student preparation during the program course. In conformity with commonly accepted practice in higher education, ITT Technical Institute has institutionally established and determined that credit hours awarded for coursework in this program course (including out-of-class assignments and learning activities described in the “Course Outline” section of this syllabus) are in accordance with the time-based option for awarding academic credit described in the immediately preceding paragraph.

ACADEMIC INTEGRITY

All students must comply with the policies that regulate all forms of academic dishonesty or academic misconduct. For more information on the academic honesty policies, refer to the Student Handbook and the School Catalog.

INSTRUCTOR DETAILS

Instructor Name	
Office Hours	
Contact Details	

(End of Syllabus)