



**School of Business & Creative Design**

Business & Business Administration Department

**Course Outline – Winter 2014**

**Course Code:** ACC 2004

**Course Title:** Accounting Theory & Practice II

*Prepared By:* Mark Magee

*Date:* January 2012

*Revised By:* Mark Magee

*Date:* December 2013

*Approved By:* Yvonne Clarke, Associate Dean

*Prerequisite:* ACC 1004

*Corequisite:* None

*Prerequisite for:* FIN 1114, FIN 1203, ACC 3203, ACC 3804

## 1. Course Description

*This course is a continuation of ACC 1004 introducing additional and more advanced concepts. Topics covered include accounting for property, plant and equipment and intangible assets as well as short and long-term liabilities and the different forms of equity. Students will also learn how to report and analyse cash flows and how to analyse financial statements. This course is designed to provide accounting skills required in Business Administration and also for those students who intend to proceed towards a professional accounting designation.*

*This course is recognized for credit with the Certified General Accountants Association of Ontario, leading to the designation of C.G.A.*

## 2. General Education and Essential Employability Skills

**This course provides the following provincial Essential Employability Skills:**

- #1: Communication
- #2: Numeracy
- #3: Critical Thinking and Problem Solving
- #4: Information Management
- #6: Personal

**Is this course approved as a General Education course?**

☒

**No**

☐

**Yes**

Students should refer to their program's restricted General Education courses for final determination.

## 3. Learning Outcomes

Upon successful completion of this course, the learner will be able to:

1. Explain and account for property, plant and equipment as well as intangible assets and goodwill.
2. Describe and account for debt and share investments.
3. Describe and account for various current and long-term liabilities including bonds and long-term notes payable.
4. Identify and account for the different forms of business ownership including partnerships and corporations.
5. Explain the form and content of a corporate income statement with continuing and discontinued operations and earnings per share.
6. Prepare a statement of cash flows.
7. Describe and apply financial statement analysis.

#### 4. Course Objectives

(The number in brackets at the end of each objective refers to the learning outcome from section 3.)

		<i>Learning Outcome Reference Number</i>
<b>Unit 1</b>		
1.1	Identify and account for the costs of property, plant and equipment and the importance of these assets to the business.	1
1.2	Identify and account for the different methods of depreciation including depreciation for partial years and revised depreciation.	1
1.3	Explain and account for the impairment and disposal of property, plant and equipment.	1
1.4	Explain and account for intangible assets and their amortization.	1
1.5	Describe and explain how and why partnerships are created and dissolved and the different types of partnerships (including general and limited partnerships).	3
1.6	Describe and record the entries to form a partnership and to account for its ongoing operations and to allocate income and loss among partners.	3
1.7	Account for admission, retirement and withdrawal or death of a partner or the liquidation of the partnership.	3
1.8	Prepare financial statements for a partnership and assess the quality of earnings.	3
<b>Unit 2</b>		
2.1	Describe current and long-term liabilities.	2
2.2	Identify and account for known and estimated liabilities.	2
2.3	Explain and compare the different forms of long-term financing.	2
2.4	Prepare entries to record the issuance, retirements, interest payments and adjustments for bonds. Bond valuation should include entries that consider and use time value of money concepts, simple and compound interest, and effective and nominal or market rates of interest.	2
2.5	Explain and record long-term notes payable including time value of money concepts.	2

### Unit 3

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|-----|---|---|
| 3.1 | Describe corporations including the theory and concept of ownership interests (the proprietary and entity views), the advantages and disadvantages of corporations versus sole proprietorships and partnerships, as well as the specialized components of corporate financial statements. | 3 |
| 3.2 | Explain and account for the issuance of common and preferred shares and dividends as well as closing entries for a corporation.   | 3 |
| 3.3 | Describe and account for share dividends, share splits, and the retirement of shares.   | 3 |
| 3.4 | Calculate earnings per share and the form and content of a corporate income statement with continuing and discontinued operations.  | 4 |
| 3.5 | Describe and account for debt and share investments including held-for-trading, held-to-maturity and investments in associates.   | 5 |

### Unit 4

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|-----|---|---|
| 4.1 | Explain the purpose and importance of cash flow information.  | 6 |
| 4.2 | Classify cash flows as operating, investing and financing activities.   | 6 |
| 4.3 | Prepare a statement of cash flows using the indirect method.  | 6 |
| 4.4 | Describe financial statement analysis and apply methods of vertical and horizontal analysis.  | 7 |
| 4.5 | Explain and apply ratio analysis including the most widely used ratios related to efficiency, solvency, liquidity, and profitability. | 7 |

## 5. Resources and Supplies

### a. Required

#### Textbooks:

Larson, Jensen: Fundamental Accounting Principles, Fourteenth Canadian Edition, Volume 2, McGraw-Hill Ryerson Limited, 2013.

#### Other:

Lyryx Learning, Lyryx Interactive Financial Accounting, Volume 2, McGraw-Hill Ryerson Limited, 2013.

Print credits and calculator (with exponential & reciprocal key).

### b. Supplemental (Optional)

## 6. Methodology

This course will consist of lectures, assignments and computer labs designed to create an understanding of generally accepted accounting principles and procedures. A strong emphasis is placed on problem solving using a variety of text and computer exercises and problems.

## 7. Student Evaluation

A grade of D is the passing grade for this course. Some programs, however, may require a higher grade in order to progress through and graduate from the program. Students should check the program requirements for their particular program.

The following elements will determine the student's final grade:

Test 1	15%
Test 2	15%
Test 3	15%
Final Examination (Comprehensive)	35%
Lyryx	20%
<b>Total</b>	<b>100%</b>

The final grade on this course will be based on the weighted average as shown above or the grade achieved on the Final Examination, **whichever is higher**.

Tests: All tests and examinations will be written on the scheduled day at the arranged time. If, for extenuating circumstances (which in most cases will only be for documented medical related absences), you will be unable to write, you must contact the professor PRIOR to the test for consideration of alternate arrangements. In most cases, the make-up test will be written during exam week. If you cannot reach the professor, you must leave a message with the program secretary at ext. #2433. During testing time, NO electronic devices of any sort will be permitted unless previously discussed or approved by the professor.

Assignments: Assignments must be submitted by the specified due date. Assignments must consist of the student's own work. There will be NO additional and/or make-up assignments granted at any point during the course.

The round off mathematical principle will be used. Percentages are converted to letter grades and grade points as follows:

Mark (%)	Grade	Grade Point	Mark	Grade	Grade Point
94-100	A+	4.0	67-69	C+	2.3
87-93	A	3.7	63-66	C	2.0
80-86	A-	3.5	60-62	C-	1.7
77-79	B+	3.2	50-59	D	1.0
73-76	B	3.0	0-49	F	0.0
70-72	B-	2.7			

## 8. Academic Integrity

Lambton College is committed to high ethical standards in all academic activities within the College, including research, reporting and learning assessment (e.g. tests, lab reports, essays).

The cornerstone of academic integrity and professional reputation is principled conduct. All scholastic and academic activity must be free of all forms of academic dishonesty, including copying, plagiarism and cheating.

Lambton College will not tolerate any academic dishonesty, a position reflected in Lambton College policy. Students should make themselves familiar with the [Students Rights and Responsibilities Policy](#), located on the MyLambton website for details concerning academic dishonesty and the penalties for dishonesty and unethical conduct.

Questions regarding this policy, or requests for additional clarification, should be directed to the [Lambton College Centre for Academic Integrity](#)

## 9. Related Items

### ***Students with Disabilities***

If you are a student with a disability please identify your needs to the professor and/or the Accessibility Centre so that support services can be arranged for you. You can do this by making an appointment at the SSD, Room L103 ext.3427 or by arranging a personal interview with the professor to discuss your needs.

### ***Student Rights and Responsibility Policy***

*Acceptable behaviour in class is established by the instructor and is expected by all students. Any form of harassment or violence will not be tolerated. Action will be taken as outlined in Lambton College policy.*

*Cheating and plagiarism are serious academic offences subject to disciplinary action. It is the student's responsibility to be aware of the cheating policy as described in the Lambton College Student Rights and Responsibilities policy. For further information on all of these policies, links may be found on the Lambton College website.*

**Prior Learning Assessment Statement**

*This course is eligible for Prior Learning Assessment*

☒ **Yes**      ☐ **No**

*If yes has been selected, you may choose to contact the Counselling Department for advice on Prior Learning Assessment.*

**Date of Withdrawal without Academic Penalty**

*Please consult the Academic Regulations and Registrar's published dates.*

**Waiver of Responsibility**

*Every attempt has been made to ensure the accuracy of this information as of the date of publication. The content may be modified, without notice, as deemed appropriate by the College.*

*Note: It is the student's responsibility to retain course outlines for possible future use to support applications for transfer of credit to other educational institutions.*