



South Central College

ACCT 2821 Intermediate Accounting I

Course Outcome Summary

Course Information

Description	This is the first of the two course intermediate accounting series. The content of the course covers an overview of the accounting process, the balance sheet, the income statement and statement of cash flows, the time value of money and other various components of the balance sheet.
Total Credits	4
Total Hours	4

Types of Instruction

Instruction Type	Credits/Hours
Classroom Presentation	

Pre/Corequisites

ACCT1810 and ACCT1811 or equivalent as deemed by instructor

Institutional Core Competencies

Communication - Students will be able to demonstrate appropriate and effective interactions with others to achieve their personal, academic, and professional objectives.

Critical and Creative Thinking - Students will be able to demonstrate purposeful thinking with the goal of using a creative process for developing and building upon ideas and/or the goal of using a critical process for the analyzing and evaluating of ideas.

Course Competencies

1. Illustrate the environment and theoretical structure of financial accounting

Learning Objectives

- Describe the function and primary focus of financial accounting
- Explain the difference between cash and accrual accounting
- Define GAAP and discuss the historical development of accounting standards
- Explain why the establishment of accounting standards is characterized as a political process
- Explain the purpose of the FASB's conceptual framework
- Identify the objectives of financial reporting, the qualitative characteristics of accounting information, and the elements of financial statements
- Describe the four basic assumptions underlying GAAP
- Describe the four broad accounting principles that guide accounting practice

2. Generate the four basic financial statements

Learning Objectives

Analyze routine economic events-transactions-and record their effect on a company's financial position using the accounting equation format

Record transactions using the general journal format

Post the effects of journal entries to T-accounts and prepare an unadjusted trial balance

Identify and describe the different types of adjusting journal entries

Determine the required adjustments, record adjusting entries in general journal format, and prepare an adjusted trial balance

Describe the four basic financial statements

Explain the closing process

Convert from cash basis net income to accrual basis net income

3. Analyze the balance sheet and financial disclosures

Learning Objectives

Describe the purpose of the balance sheet and understand its usefulness and limitations

Distinguish among current and noncurrent assets and liabilities

Identify and describe the various balance sheet asset classifications

Identify and describe the two balance sheet liability classifications

Explain the purpose of financial statement disclosures

Explain the purpose of the management discussion and analysis disclosure

Explain the purpose of an audit and describe the content of the audit report

Describe the techniques used by financial analysts to transform financial information into forms more useful for analysis

Identify and calculate the common liquidity and financing ratios used to assess risk

4. Analyze important issues dealing with income statement content, presentation, and disclosure

Learning Objectives

Explain the difference between net income and comprehensive income and how we report components of the difference

Discuss the importance of income from continuing operations and describe its components

Describe earnings quality and how it is impacted by management practices to manipulate earnings

Discuss the components of operating and nonoperating income and their relationship to earnings quality

Define what constitutes discontinued operations and describe the appropriate income statement presentation for these transactions

Define extraordinary items and describe the appropriate income statement presentation for these transactions

Describe the measurement and reporting requirements for a change in accounting principle

Explain the accounting treatment of changes in estimate and correction of errors

Define earnings per share (EPS) and explain required disclosures of EPS for certain income statement components

Describe the purpose of the statement of cash flows

Identify and describe the various classifications of cash flows presented in a statement of cash flows

5. Illustrate income measurement and profitability analysis

Learning Objectives

Discuss the general objective of the timing of revenue recognition, list the two general criteria that must be satisfied before revenue can be recognized, and explain why these criteria usually are satisfied at a specific point in time

Describe the installment sales and cost recovery methods of recognizing revenue for certain installment sales and explain the unusual conditions under which these methods might be used

Discuss the implications for revenue recognition of allowing customers the rights of return

Identify situations that call for the recognition of revenue over time and distinguish between the percentage-of-completion and completed contract methods of recognizing revenue for long-term contracts

Discuss the revenue recognition issues involving software and franchise sales

Identify and calculate the common ratios used to assess profitability

6. Illustrate the time value of money concepts

Learning Objectives

Explain the difference between simple and compound interest
Compute the future value of a single amount
Compute the present value of a single amount
Solve for either the interest rate or the number of compounding periods when present value and future value of a single amount are known
Explain the difference between an ordinary annuity and an annuity due situation
Compute the future value of both an ordinary annuity and an annuity due
Compute the present value of an ordinary annuity, an annuity due, and a deferred annuity
Solve for unknown values in annuity situations involving present value
Describe briefly how the concept of the time value of money is incorporated into the valuation of bonds, long-term leases, and pension obligations

7. Differentiate the classifications of cash and receivables

Learning Objectives

Describe what is meant by internal controls and describe some key elements of an internal control system for cash receipts and disbursements
Explain the possible restrictions on cash and their implications for classification in the balance sheet
Distinguish between the gross and net methods of accounting for cash discounts
Describe the accounting treatment for merchandise returns
Describe the accounting treatment of anticipated uncollectible accounts receivable
Describe the two approaches to estimating bad debts
Describe the accounting treatment of short-term notes receivable
Differentiate between the use of receivables in financing arrangements accounted for as a secured borrowing and those accounted for as a sales
Describe the variables that influence a company's investment in receivables and calculate the key ratios used by analysts to monitor that investment.

8. Analyze the measurement and reporting issues involving inventories and the related expense-cost of goods sold

Learning Objectives

Explain the difference between a perpetual inventory system and a periodic inventory system
Explain which physical quantities of goods should be included in inventory
Determine the expenditures that should be included in the cost of inventory
Differentiate between the specific identification, FIFO, LIFO, and average cost methods used to determine the cost of ending inventory and cost of goods sold
Discuss the factors affecting a company's choice of inventory method
Explain supplemental LIFO disclosures and the effect of LIFO liquidations on net income
Calculate the key ratios used by analysts to monitor a company's investment in inventories
Determine ending inventory using the dollar-value LIFO inventory method

9. Illustrate inventory estimation techniques, methods of simplifying LIFO, changes in inventory method, inventory errors and the lower-of-cost-or-market rule used to value inventories

Learning Objectives

Apply the lower-of-cost-or-market rule to value inventories
Estimate ending inventory and cost of goods sold using the gross profit method
Estimate ending inventory and cost of goods sold using the retail inventory method, applying the various cost flow methods
Explain how the retail inventory method can be made to approximate the lower-of-cost-or-market rule
Determine ending inventory using the dollar-value LIFO retail inventory method
Explain the appropriate accounting treatment required when a change in inventory method is made
Explain the appropriate accounting treatment required when an inventory error is discovered

SCC Accessibility Statement

South Central College strives to make all learning experiences as accessible as possible. If you have a disability and need accommodations for access to this class, contact the Academic Support Center to request and discuss accommodations. North Mankato: Room B-132, (507) 389-7222; Faribault: Room A-116, (507) 332-7222.

Additional information and forms can be found at: www.southcentral.edu/disability

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