

# ACCOUNTING II

## Course Overview

### Unit 1      **The Basic Accounting Cycle** (20 hours)

#### Objectives:

The student will:

- 1.1 Identify steps of the accounting cycle
- 1.2 Analyze business transactions using the basic accounting equation
- 1.3 Identify temporary accounts
- 1.4 Analyze transactions involving temporary accounts
- 1.5 Record transactions using the general journal
- 1.6 Post transactions from the general journal to the general ledger
- 1.7 Prepare a trial balance
- 1.8 Prepare a six-column worksheet
- 1.9 Prepare financial statements
- 1.10 Review adjusting entries
- 1.11 Prepare and post closing entries
- 1.12 Prepare a ten-column worksheet
- 1.13 Journalizing and posting closing entries
- 1.14 Prepare a post-closing trial balance
- 1.15 Use an electronic spreadsheet to prepare a trial balance, a six-column worksheet, a ten-column worksheet, and financial statements.

**Unit 2          Cash Funds (10 hours)**

**Objectives:**

The student will:

- 2.1     Journalize and post transactions for a change fund
- 2.2     Journalize and post transactions for a petty cash fund
- 2.3     Journalize and post transactions for marketable securities.

**Unit 3          Uncollectible Accounts Receivable (10 hours)**

**Objectives:**

The student will:

- 3.1     Journalize and post transactions using the direct write-off method
- 3.2     Journalize and post transactions using the allowance method
- 3.3     Estimate uncollectible accounts expense using the percentage of net sales method and the aging of accounts receivable method
- 3.4     Journalize and post transactions involving installment accounts receivable.

**Unit 4          Inventories (15 hours)**

**Objectives:**

The student will:

- 4.1     Explain the difference between a perpetual and periodic inventory system
- 4.2     Calculate the cost of merchandise inventory using the specific identification; first-in, first-out; last-in, first-out; and weighted average cost methods
- 4.3     Calculate the ending inventory using the lower-of-cost-or-market rule
- 4.4     Estimate the cost of the ending inventory using the retail and the gross profit methods
- 4.5     Analyze inventory turnover by calculating the merchandise inventory turnover ratio.

**Unit 5          Depreciation (20 hours)**

**Objectives:**

The student will:

- 5.1 Identify property, plant, and equipment assets
- 5.2 Record the cost of property, plant, and equipment assets
- 5.3 Calculate the annual depreciation expense using the straight-line method, the declining-balance method, the sum-of-the-years'-digits method, and the units-of-production method
- 5.4 Calculate depreciation for a partial year
- 5.5 Determine the book value of a plant asset
- 5.6 Journalize the adjusting entry for depreciation
- 5.7 Journalize the disposal of a plant asset.

**Unit 6          Notes Payable and Receivable (20 hours)**

**Objectives:**

The student will:

- 6.1 Determine the maturity date of a promissory note
- 6.2 Calculate the interest and maturity value of a promissory note
- 6.3 Determine the bank discount on a discounted note
- 6.4 Journalize and post entries for notes receivable
- 6.5 Explain the difference between interest-bearing and noninterest-bearing notes payable
- 6.6 Record and post transactions for interest-bearing and noninterest-bearing notes payable
- 6.7 Record and post adjusting entries for accrued interest expense and prepaid interest expense
- 6.8 Use the net amount method to record invoices.

**Unit 7          Stockholders' Equity (15 hours)**

**Objectives:**

The student will:

- 7.1 Identify the advantages and disadvantages of a corporation
- 7.2 Identify the different types of capital stock
- 7.3 Journalize transactions for the issuance of par-value and no-par stock
- 7.4 Record transactions for stock subscriptions
- 7.5 Differentiate between a cash dividend and a stock dividend
- 7.6 Record and post journal entries for the declaration and payment of dividends
- 7.7 Record and post journal entries involving treasury stock
- 7.8 Journalize and post entries for the appropriation of retained earnings.

**Unit 8          Analyzing and Interpreting Financial Statements (15 hours)**

**Objectives:**

The student will:

- 8.1 Prepare a comparative income statement for horizontal analysis
- 8.2 Prepare a comparative income statement and balance sheet for vertical analysis
- 8.3 Calculate liquidity, profitability, and financial strength ratios
- 8.4 Use ratios to analyze the performance of a business.