



**MERCER**  
COUNTY COMMUNITY COLLEGE

## COURSE OUTLINE

<b>Course Number</b> <b>ACC202</b>	<b>Course Title</b> <b>Intermediate Accounting II</b>	<b>Credits</b> <b>3</b>
<b>Hours:</b> <b>3 Lecture/ 1Lab</b>	<b>Pre-requisite</b> <b>ACC201 with a minimum "C" Grade</b>	<b>Implementation</b> <b>Semester &amp; Year</b> <b>Spring 2022</b>

### Catalog description:

A continuation of ACC201. Topics covered include: investments, liabilities, leases, income taxes, pensions, earnings per share and error correction

General Education Category:  
Not Gen Ed

Course coordinator: Josie Mathias, 609-570-3341,  
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### Required texts & Other materials:

Spiceland, Nelson, Thomas *Intermediate Accounting*. Irwin/McGraw-Hill. **Edition:** 10<sup>th</sup> **ISBN:** 9781260481976

### Course Student Learning Outcomes (SLO):

*Upon successful completion of this course the student will be able to:*

1. Define the GAAP that relate to financial accounting.(ILG #11) (PLO#3)
2. Discuss the theory that supports GAAP. (ILG #1, # 9, #11) (PLO#3)
3. Describe the role of accounting in a management information system. (ILG #11) (PLO#1, PLO#2, PLO#3)
4. Explain the role of the accountant as part of the management team of an organization. (ILG #1, #2) (PLO#1, PLO#2, PLO#3)
5. Demonstrate an understanding of General Ledger accounting (ILG#2, #11) (PLO#1, PLO#2)

### Course-specific Institutional Learning Goals (ILG):

**Institutional Learning Goal 1. Written and Oral Communication in English.** Students will communicate effectively in both speech and writing.

**Institutional Learning Goal 2. Mathematics.** Students will use appropriate mathematical and statistical concepts and operations to interpret data and to solve problems.

**Institutional Learning Goal 9. Ethical Reasoning and Action.** Students will understand ethical frameworks, issues, and situations.

**Institutional Learning Goal 11. Critical Thinking:** Students will use critical thinking skills understand, analyze, or apply information or solve problems.

## **Program Learning Outcomes for AAS Accounting (PLO)**

1. Perform all the steps of the accounting cycle for sole proprietorships, partnerships, and corporations;
2. Compute and record financial transactions that are unique to governmental and not-for-profit institutions such as hospitals, colleges, and universities;
3. Analyze financial statements, prepare managerial reports, and suggest appropriate actions to alleviate or eliminate problems;

## **Units of study in detail – Unit Student Learning Outcomes:**

### **Unit I Discuss the investment opportunities that management considers during cash management [Supports Course SLO #1, #2, #3, #4]**

#### **Learning Objectives**

##### ***The student will be able to:***

- a. Explain how to identify and account for investments classified as: held to maturity, available for sale, and trading securities.
- b. Explain what constitutes significant influence by the investor over operating and financial policies of the investee.
- c. Describe the way investments are recorded and reported by the equity method.

### **Unit II Describe current liabilities and contingencies [Supports Course SLOs # 1, #2, #4, #5]**

#### **Learning Objectives**

##### ***The student will be able to:***

- a. Define liabilities and distinguish between current and long-term liabilities.
- b. Account for the issuance and payment of notes payable.
- c. Characterize and account for accrued liabilities.
- d. Identify situations that constitute contingencies and the circumstances under which they should be accrued.
- e. Describe the accounting treatment for contingencies.

### **Unit III Explain the accounting for long-term debt [Supports Course SLOs #1, #2, #5]**

#### **Learning Objectives**

##### **The student will be able to:**

- a. Identify the characteristics of debt instruments and describe the basic approach to accounting for debt.
- b. Account for bonds issued at par, at a discount, and at a premium using the effective-method and the straight-line method of amortization.
- c. Understand the option to report liabilities at their fair values.
- d. Characterize the accounting treatment of installment notes.

- e. Describe the disclosures appropriate to long-term debt.
- f. Record the early extinguishment of debt and its conversion into equity securities.

#### **Unit IV Define and account for leases [Supports Course SLOs #1, #2, #5]**

##### **Learning Objectives**

###### **The student will be able to:**

- a. Describe the operational, financial, and tax objectives that motivate leasing.
- b. Explain the basis for each of the criteria and conditions used to classify leases.
- c. Record transactions associated with operating leases, nonoperating leases, sales-type leases.
- d. Describe the way a bargain purchase option affects lease accounting.

#### **Unit V. Describe the accounting treatment for income taxes [Supports Course SLOs #1, #2, #5]**

##### **Learning Objectives**

###### **The student will be able to:**

- a. Describe the types of temporary differences that cause deferred tax liabilities and determine the amounts needed to record periodic income taxes.
- b. Identify and describe the types of temporary differences that cause deferred tax assets.
- c. Describe how and when an operating loss carryforward and an operating loss carryback are recognized in the financial statements.
- d. Explain intra-period tax allocation.

#### **Unit VI Discuss pension accounting and other post-retirement benefits of employees [Supports Course SLOs #1, #2, #5]**

##### **Learning Objectives**

###### **The student will be able to:**

- a. Explain the fundamental differences between a defined contribution pension plan and a defined benefit pension plan.
- b. Define: vested benefit obligation, accumulated benefit obligation, and projected benefit obligation.
- c. Describe the five events that might change the balance of the PBO.
- d. Explain how plan assets accumulate to provide retirees benefits and the role of the trustee in administering the fund.
- e. Define pension expense.
- f. Describe the nature of postretirement benefit plans.
- g. Measure and explain how postretirement benefits obligations change.
- h. Determine the components of postretirement benefit expense.

## **Unit VII Define and calculate shareholder's Equity [Supports Course SLOs #1, #2, #5]**

### **Learning Objectives**

#### **The student will be able to:**

- a. Describe the components of shareholders' equity and explain how they are reported.
- b. Prepare a statement of shareholders' equity and explain its usefulness.
- c. Record the issuance of shares of stock.
- d. Describe what occurs when shares are retired and how the retirement is recorded.
- e. Distinguish between the accounting for retired shares and for treasury shares.
- f. Describe retained earnings and distinguish it from paid in capital.
- g. Explain the basis of corporate dividends and stock splits.
- h. Describe comprehensive income and its components.

## **Unit VIII Explain the importance of and calculate earnings per share [Supports Course SLOs #1, #2, #5]**

### **Learning Objectives**

#### **The student will be able to:**

- a. Distinguish between a simple and a complex capital structure.
- b. Calculate the weighted average number of common shares and describe what this calculation represents.
- c. Describe how the following will affect EPS: new stock issues, stock dividend, stock split, Treasury Stock.
- d. Calculate earnings per share in a simple and a complex capital structure.
- e. Describe the financial statement presentation of EPS.
- f. Explain and implement the accounting for: stock award plans, stock options, stock appreciation rights, employee share purchase plans.

## **Unit IX Differentiate and explain how to account for accounting changes and error corrections [Supports Course SLOs #1, #2, #5]**

### **Learning Objectives**

#### **The student will be able to:**

- a. Differentiate among the three types of accounting changes and distinguish between retrospective and prospective approaches in accounting.
- b. Explain and apply the four-step process of correcting and reporting errors, regardless of the type of error or the timing of its discovery.

## **Unit X. Describe and prepare the statement of cash flows [Supports SLOs #1, #2, #5]**

### **Learning Objectives**

#### **The student will be able to:**

- a. Explain the usefulness of cash flow information and the purpose of the statement of cash flows.
- b. Define cash equivalents.

- c. Summarize the evolution of the statement of cash flows.
- d. Distinguish among operating, investing, and financing activities.
- e. Identify transactions that represent noncash investing and operating activities.
- f. Prepare a statement of cash flows by the direct method and the indirect method.

**Evaluation of student learning:**

All course student learning outcomes will be assessed by the following activities.  
Test questions will be selected to evenly assess all expected outcomes.  
Grades will be assigned as detailed below.

Tests	80%
Cases	15%
Class Work & Quizzes	5%