ACTG 1B: FINANCIAL ACCOUNTING II

Foothill College Course Outline of Record

<table>
<thead>
<tr>
<th>Heading</th>
<th>Value</th>
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<tbody>
<tr>
<td>Effective Term:</td>
<td>Summer 2022</td>
</tr>
<tr>
<td>Units:</td>
<td>5</td>
</tr>
<tr>
<td>Hours:</td>
<td>5 lecture per week (60 total per quarter)</td>
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<tr>
<td>Prerequisite:</td>
<td>ACTG 1A.</td>
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<tr>
<td>Advisory:</td>
<td>Elementary Algebra or equivalent; demonstrated proficiency in English by placement via multiple measures OR through an equivalent placement process OR completion of ESLL 125 &amp; ESLL 249; not open to students with credit in ACTG 1BH.</td>
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<tr>
<td>Degree &amp; Credit Status:</td>
<td>Degree-Applicable Credit Course</td>
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<tr>
<td>Foothill GE:</td>
<td>Non-GE</td>
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<tr>
<td>Transferable:</td>
<td>CSU/UC</td>
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<tr>
<td>Grade Type:</td>
<td>Letter Grade (Request for Pass/No Pass)</td>
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<tr>
<td>Repeatability:</td>
<td>Not Repeatable</td>
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Student Learning Outcomes

- Explain financial accounting terminology, concepts, principles, and frameworks.
- Perform related calculations and demonstrate the ability to use methods and /or procedures to solve financial accounting problems.

Description

Continuation of ACTG 1A focusing on accounting as an information system, examining why it is important and how it is used by investors, creditors, and others to make decisions. Long-term assets, short- and long-term liabilities, equity valuation, revenue and expense recognition, statement of cash flows, financial statement analysis, internal controls, and ethics.

Course Objectives

The student will be able to:

a. Identify types of long-term assets.
b. Identify the costs associated with each category of plant assets.
c. Identify issues relating to long-term asset acquisition, use, depreciation, amortization, depletion, and disposal.
d. Distinguish between capital and revenue expenditures.
e. Explain ethical issues related to plant assets.
f. Explain the valuation and reporting of current liabilities, estimated liabilities, and other contingencies.
g. Explain issues related to payroll, its records, and payroll-related transactions.
h. Identify and illustrate issues relating to long-term liabilities, including issuance, valuation, and retirement of debt.
i. Identify issues relating to stockholders’ equity, including issuance, repurchase of capital stock, and dividends.
j. Explain the importance of operating, investing and financing activities reported in the Statement of Cash Flows.
k. Interpret company activity, profitability, liquidity and solvency through selection and application of appropriate financial analysis tools.

Course Content

a. Long-term assets
   i. plant assets and their related expenses
   ii. measuring the cost of plant assets
   iii. capital expenditures and revenue expenditures
   iv. depreciation methods
   v. asset impairments
   vi. disposing plant assets
   vii. natural resources
   viii. depletion of natural resources
   ix. intangible assets
   x. amortization of intangible assets
   xi. research and development
   xii. ethical issues in accounting for plant assets
b. Current liabilities
   i. accounts payable
   ii. short-term notes payable
   iii. sales tax payable
   iv. current segment of long-term notes payable
   v. accrued liabilities
   vi. unearned revenue
   vii. contingent liabilities
   viii. remote liabilities
   ix. accounting for payroll, gross pay, and net pay
   x. payroll withholding
   xi. payroll records
   xii. internal control over payroll
c. Long-term liabilities
   i. long-term notes payable and mortgage payable
   ii. bonds payable
   iii. types of bonds
   iv. bond prices
   v. present value of money
      1. present value of one payment or receipt
      2. present value of annuity
      3. present value of bonds payable
   vi. interest expense on bonds using straight-line method
   vii. premium and discount bond and their related amortization
   viii. reporting liabilities on the balance sheet
d. Stockholders’ equity and reporting requirements
   i. classes of stocks
   ii. issuing common and preferred stock
   iii. paid-in capital
   iv. retained earnings
   v. cash dividends
   vi. market value, liquidation value, and book value of stock
vii. income taxes by corporations
viii. stock dividends, stock splits, and treasury stock
ix. retirement of stock
x. restriction on retained earnings
xi. corporate income statement
   1. continuing operations
   2. discontinue operations and extraordinary items
   3. earnings per share
xii. reporting comprehensive income
e. Measuring cash flow
   i. operating activities
      1. direct method
      2. indirect method
   ii. investing activities
   iii. financing activities
   iv. noncash investing and financing activities
   v. free cash flow
f. Financial statements and statement analysis
   i. horizontal and vertical analysis
   ii. trend analysis
   iii. common size analysis
   iv. benchmarking
   v. using ratios to make decisions
      1. profitability ratios
      2. liquidity ratios
   vi. red flags in financial statement analyses

Lab Content
Not applicable.

Special Facilities and/or Equipment
1. Access to PC lab and Excel software.
2. When taught as an online distance learning section, students and faculty need ongoing and continuous internet and email access.

Method(s) of Evaluation
Methods of Evaluation may include but are not limited to the following:

Quizzes
Exams
Class participation
Homework
Assignments requiring the use of general ledger software, spreadsheet, word-processor, and presentation applications, such as Quickbooks, MS Excel, MS Word, and MS PowerPoint, respectively
Team projects
Research assignments
Case study analysis
Oral and/or written presentations

Method(s) of Instruction
Methods of Instruction may include but are not limited to the following:

Lecture
Electronic discussions

Representative Text(s) and Other Materials

Types and/or Examples of Required Reading, Writing, and Outside of Class Assignments
a. Students will be expected to read approximately 40 pages per week, in addition to completing associated assignments for an estimated total of 10 hours out-of-class commitment per week
b. Applying basic Excel commands to prepare financial statements, bank reconciliation, budgets and accounting reports
c. Reading of corporate annual reports
d. Writing assignment responding to questions related to the corporate annual reports of publicly-held corporations
e. Written research paper and/or project
f. Reading of internet articles and writing on accounting topics or accounting-related current events and/or careers
g. Reading Wall Street Journal, Business Week, and Fortune

Discipline(s)
Accounting