

ACTG 1B: FINANCIAL ACCOUNTING II

Foothill College Course Outline of Record

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

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:

- Identify types of long-term assets.
- Identify the costs associated with each category of plant assets.
- Identify issues relating to long-term asset acquisition, use, depreciation, amortization, depletion, and disposal.
- Distinguish between capital and revenue expenditures.
- Explain ethical issues related to plant assets.
- Explain the valuation and reporting of current liabilities, estimated liabilities, and other contingencies.
- Explain issues related to payroll, its records, and payroll-related transactions.
- Identify and illustrate issues relating to long-term liabilities, including issuance, valuation, and retirement of debt.
- Identify issues relating to stockholders' equity, including issuance, repurchase of capital stock, and dividends.
- 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

- Long-term assets
 - plant assets and their related expenses
 - measuring the cost of plant assets
 - capital expenditures and revenue expenditures
 - depreciation methods
 - asset impairments
 - disposing plant assets
 - natural resources
 - depletion of natural resources
 - intangible assets
 - amortization of intangible assets
 - research and development
 - ethical issues in accounting for plant assets
- Current liabilities
 - accounts payable
 - short-term notes payable
 - sales tax payable
 - current segment of long-term notes payable
 - accrued liabilities
 - unearned revenue
 - contingent liabilities
 - remote liabilities
 - accounting for payroll, gross pay, and net pay
 - payroll withholding
 - payroll records
 - internal control over payroll
- Long-term liabilities
 - long-term notes payable and mortgage payable
 - bonds payable
 - types of bonds
 - bond prices
 - present value of money
 - present value of one payment or receipt
 - present value of annuity
 - present value of bonds payable
 - interest expense on bonds using straight-line method
 - premium and discount bond and their related amortization
 - reporting liabilities on the balance sheet
- Stockholders' equity and reporting requirements
 - classes of stocks
 - issuing common and preferred stock
 - paid-in capital
 - retained earnings
 - cash dividends
 - market value, liquidation value, and book value of stock
 - income taxes by corporations
 - stock dividends, stock splits, and treasury stock
 - retirement of stock
 - restriction on retained earnings
 - corporate income statement
 - continuing operations
 - discontinue operations and extraordinary items
 - earnings per share
 - reporting comprehensive income
- Measuring cash flow
 - operating activities
 - direct method

- b. indirect method
- 2. investing activities
- 3. financing activities
- 4. noncash investing and financing activities
- 5. free cash flow
- F. Financial statements and statement analysis
 - 1. horizontal and vertical analysis
 - 2. trend analysis
 - 3. common size analysis
 - 3. benchmarking
 - 4. using ratios to make decisions
 - a. profitability ratios
 - b. liquidity ratios
 - 5. using ratios to make decisions
 - 6. red flags in financial statement analyses

- 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

Lab Content

Not applicable.

Special Facilities and/or Equipment

Access to PC lab and Excel software. When taught as an online distance learning section, students and faculty need ongoing and continuous internet and email access.

Method(s) of Evaluation

The student will demonstrate proficiency by:

- A. Quizzes
- B. Exams
- C. Class participation
- D. Homework
- E. 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
- F. Team projects
- G. Research assignments
- H. Case study analysis
- I. Oral and/or written presentations

Method(s) of Instruction

Lecture, electronic discussions, group work, case studies.

Representative Text(s) and Other Materials

Miller-Nobles, Mattison, and Matsumura. Accounting. 12th ed. New York, New Jersey: Pearson Publishing, 2018.

Pasewark, William R. Understanding Corporate Annual Reports. 7th ed. Burr Ridge, IL: Irwin McGraw-Hill, 2010.

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