

# ACTG 1BH: HONORS FINANCIAL ACCOUNTING II

## Foothill College Course Outline of Record

Heading	Value
<b>Effective Term:</b>	Fall 2020
<b>Units:</b>	5
<b>Hours:</b>	5 lecture per week (60 total per quarter)
<b>Prerequisite:</b>	ACTG 1A.
<b>Advisory:</b>	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 1B, 51A, 51B, or 51C.
<b>Degree &amp; Credit Status:</b>	Degree-Applicable Credit Course
<b>Foothill GE:</b>	Non-GE
<b>Transferable:</b>	CSU/UC
<b>Grade Type:</b>	Letter Grade (Request for Pass/No Pass)
<b>Repeatability:</b>	Not Repeatable

## Student Learning Outcomes

- Analyze changes to standard transactions and their effects on the financial statements, using financial accounting terminology, concepts, principles, and frameworks. [SLO1:Theory].
- Demonstrate the ability to collaboratively define problems, analyze and determine course (s) of action, apply solutions, communicate results to pertinent stakeholders, and reflect on the outcomes. [SLO2: Application and Reflection]

## 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. As an honors course, it is a full hands-on course with advanced teaching methods focusing on extensive research of selected accounting theory or applying accounting techniques in preparing analytical papers and analyses related to selected accounting problems. Distinguishing features include: deep focus on research, analysis, application, strong communication and critical thinking.

## 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.
- 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

- 9. retirement of stock
- 10. restriction on retained earnings
- 11. corporate income statement
  - a. continuing operations
  - b. discontinue operations and extraordinary items
  - c. earnings per share
- 12. reporting comprehensive income
- E. Measuring cash flow
  - 1. operating activities
    - a. 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

## 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

- A. Class participation
- B. Problem-Solving Assignments
- C. 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
- D. Quizzes
- E. Exams
- F. Case Study Analyses
- G. In-Depth, Analytical Research Paper and Presentation
  - 1. Development of research paper topic or problem statement and outline
  - 2. Written Ten Plus Page Research Paper or Analytical Project assignment on specific topic of interest, directly related to Financial Accounting
  - 3. Group Oral presentation (Power Point) on assigned topic
  - 4. Consistent participation in course demonstrating substantial knowledge of accounting theory and how it relates to the stated paper topic; demonstrated ability to systematically research, analyze, synthesize, and present findings of paper or results of analysis

## Method(s) of Instruction

- A. Lecture
- B. Discussion
- C. Oral presentations
- D. Electronic discussions/chat
- E. Group work

- F. Excel assignments
- G. Homework assignments
- H. Weekly intensive Seminar-style discussions that are highly interactive
- I. Weekly written notes on reading assignments that demonstrate substantial and systematic understanding of material
- J. Literature search on topics of class discussions

## Representative Text(s) and Other Materials

Horngren, Harrison Jr. & Oliver. Accounting. 11th Ed. Saddle River, New Jersey: Pearson Publishing, 2016.

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

## Types and/or Examples of Required Reading, Writing, and Outside of Class Assignments

- A. Reading of corporate annual reports
- B. Written Research Paper and/or Project
- C. Written Presentation
- D. Reading of internet articles and writing on accounting topics or accounting-related current events and/or careers
- E. Special Applied Projects: Students will submit a report solving at least one applied, real-world problem. Problems/Papers should be developed using business and/or accounting related software. These special applied projects will require students to discuss the related theory, using accurate business and accounting language and professional business writing. Projects may require the use of a computer and may require field visits and research.
- F. Worksheets: Problems and activities covering the subject matter. Such problems and activities will require students to think critically. These worksheets may be completed inside or outside of class.

## Discipline(s)

Accounting