

# ACTG 51A: INTERMEDIATE ACCOUNTING I

## Foothill College Course Outline of Record

Heading	Value
Effective Term:	Summer 2024
Units:	5
Hours:	5 lecture per week (60 total per quarter)
Prerequisite:	ACTG 1B or 1BH.
Degree & Credit Status:	Degree-Applicable Credit Course
Foothill GE:	Non-GE
Transferable:	CSU
Grade Type:	Letter Grade (Request for Pass/No Pass)
Repeatability:	Not Repeatable

## Student Learning Outcomes

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

## Description

Review of financial accounting standards, accounting information processing systems and the resulting financial statements. Selected topics related to present value applications, valuation techniques, and revenue recognition. Also covered: accounting for cash, receivables, and inventory.

## Course Objectives

The student will be able to:

1. describe the purpose of each of the financial statements and its elements.
2. research the relevant financial accounting standard(s) as they relate to questions, problems, or other accounting issues.
3. apply financial accounting standards in solving problems and cases.
4. present financial statements, including appropriate disclosures, as required by the related financial accounting standards.
5. account for cash, receivables, and inventories.
6. describe the direct and indirect effect(s) of transactions on the financial statements and their elements.

## Course Content

1. Financial Accounting and Accounting Standards
  - a. Identify the major financial statements and other means of financial reporting
  - b. Explain how accounting assists in the efficient use of scarce resources
  - c. Identify the objective of financial reporting
  - d. Explain the need for accounting standards

- e. Identify the major policy-setting bodies and their role in the standard-setting process
  - f. Explain the meaning of Generally Accepted Accounting Principles (GAAP) and the role of the Codification for GAAP
  - g. Describe the impact of user groups on the rule-making process
  - h. Describe some of the challenges facing financial reporting
    - i. Understand issues related to ethics and financial accounting
2. Conceptual Framework for Financial Reporting
    - a. Describe the usefulness of a conceptual framework
    - b. Describe the FASB's efforts to construct a conceptual framework
    - c. Understand the objective of financial reporting
    - d. Identify the qualitative characteristics of accounting information
    - e. Define the basic elements of financial statements
    - f. Describe the basic assumptions of accounting
    - g. Explain the application of the basic principles of accounting
    - h. Describe the impact that the cost constraint has on reporting accounting information
  3. The Accounting Information System
    - a. Understand basic accounting terminology
    - b. Explain double-entry rules
    - c. Identify steps in the accounting cycle
    - d. Record transactions in journals, post to ledger accounts, and prepare a trial balance
    - e. Explain the reasons for preparing adjusting entries and identify major types of adjusting entries
    - f. Prepare financial statements from the adjusted trial balance
    - g. Prepare closing entries
    - h. Prepare financial statements for a merchandising company
  4. Balance Sheet and Statement of Cash Flows
    - a. Explain the uses and limitations of a balance sheet
    - b. Identify the major classifications of the balance sheet
    - c. Prepare a classified balance sheet using the report and account formats
    - d. Indicate the purpose of the statement of cash flows
    - e. Identify the content of the statement of cash flows
    - f. Prepare a basic statement of cash flows
    - g. Understand the usefulness of the statement of cash flows
    - h. Determine which balance sheet information requires supplemental disclosure
      - i. Describe the major disclosure techniques for the balance sheet
  5. Accounting and the Time Value of Money
    - a. Identify accounting topics where the time value of money is relevant
    - b. Distinguish between simple and compound interest
    - c. Use appropriate compound interest tables
    - d. Identify variables fundamental to solving interest problems
    - e. Solve future and present value of 1 problem
    - f. Solve future value of ordinary and annuity due problems
    - g. Solve present value of ordinary and annuity due problems
    - h. Solve present value problems related to deferred annuities and bonds
      - i. Apply expected cash flows to present value measurement
  6. Cash and Receivables

- a. Identify items considered cash
  - b. Indicate how to report cash and related items
  - c. Define receivables and identify the different types of receivables
  - d. Explain accounting issues related to recognition of accounts receivable
  - e. Explain accounting issues related to valuation of accounts receivable
  - f. Explain accounting issues related to recognition and valuation of notes receivable
  - g. Explain the fair value option
  - h. Explain accounting issues related to disposition of accounts and notes receivable
  - i. Describe how to report and analyze receivables
7. Valuation of Inventories: A Cost-Basis Approach
- a. Identify major classifications of inventory
  - b. Distinguish between perpetual and periodic inventory systems
  - c. Determine the goods included in inventory and the effects of inventory errors on the financial statements
  - d. Understand the items to include as inventory cost
  - e. Describe and compare the cost flow assumptions used to account for inventories
  - f. Explain the significance and use of a LIFO reserve
  - g. Understand the effect of LIFO liquidations
  - h. Explain the dollar-value LIFO method
  - i. Identify the major advantages and disadvantages of LIFO
  - j. Understand why companies select given inventory methods
8. Revenue Recognition
- a. Describe and apply the revenue recognition principles
  - b. Describe accounting issues for revenue recognition at point of sale
  - c. Apply the percentage-of-completion method for long-term contracts
  - d. Apply the completed-contract method for long-term contracts
  - e. Identify the proper accounting for losses on long-term contracts
  - f. Describe the installment-sales method of accounting
  - g. Explain the cost-recovery method of accounting
  - h. Apply the percentage-of-completion method for long-term contracts
  - i. Apply the completed-contract method for long-term contracts
  - j. Under this method, companies recognize revenue and gross profit only at point of sale
  - k. Identify the proper accounting for losses on long-term contracts

Midterm exam  
 Final exam  
 Quizzes  
 Projects  
 Computerized assignments  
 Research activities (online and traditional)  
 Presentations  
 Writing assignments  
 Student participation  
 Group work

## Method(s) of Instruction

Methods of Instruction may include but are not limited to the following:

Lecture  
 Discussion  
 Cooperative learning exercises  
 Electronic discussions/chat  
 Independent study

## Representative Text(s) and Other Materials

Gordon, Raedy, and Sannella. *Intermediate Accounting*. 2019.

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

1. Reading of corporate annual reports
2. Reading and written analysis of Financial Accounting Standards Board (FASB) statements and other Generally Accepted Accounting Principles (GAAP) literature
3. Reading of internet articles and writing on accounting topics or accounting-related current events and/or careers

## Discipline(s)

Accounting

## Lab Content

Not applicable.

## Special Facilities and/or Equipment

1. Access to spreadsheet, word-processing, and presentation software.
2. When taught as an online distance learning section, students and faculty need reliable and ongoing internet (Java-enabled) and email access.

## Method(s) of Evaluation

Methods of Evaluation may include but are not limited to the following: