

# Accounting II

## Course Text

Wild, John J., and Ken Shaw. *Fundamental Accounting Principles*, 24th edition. McGraw-Hill/Irwin, 2019. ISBN 9781259916960

The text is provided digitally as part of the course enrollment. Students may find used, new, or rental print copies by searching for the ISBN.

## Course Description

Accounting II expands on what the student learns in Accounting I by focusing on corporate accounting. This course discusses how corporations are structured and formed with an emphasis on corporate characteristics. Stocks, bonds, notes, purchase investments and analysis of financial statements are included, as well as an in-depth look at managerial accounting. Statements of cash flow, budgets, and budget management are also examined.

## Course Objectives

After completing this course, students will be able to:

- Demonstrate knowledge of the accounting techniques used in corporations, including accounting for stock transactions.
- Discuss the various types of corporate investments, differentiating between influential and non-influential investments.
- Apply the tools of financial analysis to perform horizontal and vertical analysis.
- Calculate and interpret various financial ratios.
- Demonstrate knowledge of, and ability to prepare, a statement of cash flows.
- Define managerial accounting and understand the techniques used in cost accounting.
- Demonstrate the ability to prepare financial statements for a manufacturing company.
- Demonstrate knowledge of process cost accounting systems, including the use of equivalent units of production.
- Use various allocation methods to allocate overhead and indirect costs.
- Compute break-even and cost-revenue analysis values and understand how to interpret the results.
- Define a master budget and how it is used in a business.
- Discuss a flexible budget and the role of standard costs in the budgeting process.

- Describe a capital budget and discuss the role of the time value of money in the budgeting process.

## Course Prerequisites

It is suggested, though not required, that students take Accounting I or its equivalent before enrolling in Accounting II.

## Important Terms

In this course, different terms are used to designate tasks:

- **Proctoring:** all final exams require proctoring which can be completed conveniently from your home. A webcam is required.
- **Tutoring:** memberships include online tutoring for students to access with any content/subject related questions in the place of faculty. If your tutor is not able to answer your questions please contact a student advisor.

## Academic Integrity Statement

Academic integrity is the pursuit of scholarly activity in an honest, truthful and responsible manner. Violations of academic integrity include, but are not limited to, plagiarism, cheating, fabrication and academic misconduct. Failure to comply with the Academic Integrity Policy can result in a failure and/or zero on the attempted assignment/examination, a removal from the course, disqualification to enroll in future courses, and/or revocation of an academic transcript.

## Course Completion Policy

In order for a course to be considered complete, all required coursework must be attempted, submitted, and graded. Required coursework consists of graded assignments. Any Academic Integrity Policy violations may prevent a course from being considered complete.

## Course Evaluation Criteria

Your score provides a percentage score and letter grade for each course. A passing percentage is **70%** or higher.

There are a total of 1000 points in the course:

Topic	Assessment	Points
3	Graded Exam 1	125
7	Graded Exam 2	125
7	Midterm Exam	200
10	Graded Exam 3	125
14	Graded Exam 4	125
15	Final Exam	300

Topic	Assessment	Points
Total		1000

## Course Topics and Objectives

Topics	Topic	Subtopics	Objectives
1	Accounting for Corporations	<ul style="list-style-type: none"> <li>Forming a Corporation</li> <li>Types of Stock and Dividends</li> <li>Recording Stock Transactions</li> <li>Reporting Earnings and Equity</li> </ul>	<ul style="list-style-type: none"> <li>Define the term corporation and explain how corporations are structured and formed.</li> <li>Differentiate between common stock, preferred stock and treasury stock and explain how dividends work.</li> <li>Demonstrate the ability to record stock transactions</li> <li>Describe the various procedures for reporting earnings and equity.</li> </ul>
2	Accounting for Corporate Bonds	<ul style="list-style-type: none"> <li>Types of Bonds and Accounting for Interest</li> <li>Issuance of Bonds</li> <li>Bond Retirement</li> <li>Notes payable as a financing option</li> </ul>	<ul style="list-style-type: none"> <li>Explain the types of bonds and describe the procedures relating to interest.</li> <li>Demonstrate knowledge of bond issuance procedures.</li> <li>Discuss the bond retirement process.</li> <li>Describe the use of notes payable as a financing option for corporations.</li> </ul>
3	Corporate Investments	<ul style="list-style-type: none"> <li>Types and class of investments</li> <li>Accounting for non-influential investments</li> <li>Influential Investments</li> </ul>	<ul style="list-style-type: none"> <li>Explain a corporation's motivation for purchasing investments.</li> <li>Demonstrate knowledge of the accounting procedures for influential investments.</li> <li>Describe the various types and classes of investments.</li> <li>Discuss the procedures to account for non-influential investments.</li> </ul>
4	Corporate Financial Statement Analysis	<ul style="list-style-type: none"> <li>Analysis Overview</li> <li>Vertical Analysis</li> <li>Horizontal Analysis</li> <li>Ratio Analysis</li> </ul>	<ul style="list-style-type: none"> <li>Describe the purpose and basic tools of financial statement analysis.</li> <li>Demonstrate knowledge of vertical analysis.</li> <li>Explain vertical analysis procedures.</li> <li>Calculate financial statement ratios including ratios on profit, liquidity, and financial strength.</li> </ul>

Topics	Topic	Subtopics	Objectives
5	Statement of Cash Flows	<ul style="list-style-type: none"> <li>• Purpose and importance of Statement of Cash Flows</li> <li>• Cash Flows from Operations</li> <li>• Cash Flows from investments</li> <li>• Cash Flows from Financing</li> </ul>	<ul style="list-style-type: none"> <li>• Explain the importance and purpose of a statement of cash flows.</li> <li>• Demonstrate the ability to prepare a statement of cash flows.</li> <li>• Distinguish between cash flows from operations, investments, and financing.</li> </ul>
6	Managerial Accounting	<ul style="list-style-type: none"> <li>• Purpose and Nature of Managerial Accounting</li> <li>• Managerial Costs Concepts</li> <li>• Profit and Cost Centers</li> <li>• Departmental Operations and Income Statements</li> </ul>	<ul style="list-style-type: none"> <li>• Explain the purpose and nature of Managerial Accounting.</li> <li>• Discuss managerial accounting concepts, including cost classifications.</li> <li>• Describe the use of profit and cost centers in managerial accounting.</li> <li>• Demonstrate knowledge of departmental accounting operations, including preparation of departmental financial statements.</li> </ul>
7	Manufacturing Accounting	<ul style="list-style-type: none"> <li>• Costs of Goods Manufactured Statement</li> <li>• Manufacturing Income Statement</li> <li>• Balance Sheet for Manufacturing Company</li> <li>• Manufacturing Business's Accounting Cycle</li> </ul>	<ul style="list-style-type: none"> <li>• Explain the purpose and usefulness of a statement of cost of goods manufactured.</li> <li>• Demonstrate the ability to prepare a manufacturing company's income statement.</li> <li>• Demonstrate the ability to prepare a manufacturing company's balance sheet.</li> <li>• Discuss the procedures involved in a manufacturing company's accounting cycle.</li> </ul>
8	Job Order Accounting	<ul style="list-style-type: none"> <li>• Process Cost Accounting System</li> <li>• Process Operations</li> <li>• Accounting for Job Orders</li> <li>• Equivalent Units of Production</li> </ul>	<ul style="list-style-type: none"> <li>• Define the term process cost accounting.</li> <li>• Demonstrate knowledge of the process operations of a company.</li> <li>• Explain the importance of process inventory in process cost accounting.</li> <li>• Discuss the term equivalent units of production and its role in process cost accounting.</li> </ul>
9	Process Cost Accounting	<ul style="list-style-type: none"> <li>• Process Cost Accounting System</li> </ul>	<ul style="list-style-type: none"> <li>• Define the term process cost accounting.</li> </ul>

Topics	Topic	Subtopics	Objectives
		<ul style="list-style-type: none"> <li>• Process Operations</li> <li>• Accounting for Job Orders</li> <li>• Equivalent Units of Production</li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrate knowledge of the process operations of a company.</li> <li>• Explain the importance of process inventory in process cost accounting.</li> <li>• Discuss the term equivalent units of production and its role in process cost accounting.</li> </ul>
10	Cost Allocation	<ul style="list-style-type: none"> <li>• Allocating Overhead Costs</li> <li>• Departmental Accounting with Cost Allocation.</li> <li>• Allocating Indirect Expenses</li> </ul>	<ul style="list-style-type: none"> <li>• Explain how overhead is allocated under the two-stage and activity-based allocation methods.</li> <li>• Demonstrate knowledge of how indirect expenses are allocated.</li> <li>• Discuss departmental accounting with allocation of expenses.</li> <li>• Describe a responsibility accounting system and the key components of that system.</li> </ul>
11	Cost Analysis	<ul style="list-style-type: none"> <li>• Cost Behaviors</li> <li>• Measuring Cost Behaviors</li> <li>• Break-Even Analysis</li> <li>• Cost-Revenue Analysis</li> <li>• Cost-Volume-Profit Analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Discuss various cost behaviors, including fixed, variable and mixed costs.</li> <li>• Explain the procedure for measuring cost behaviors.</li> <li>• Describe the benefits of using a break-even analysis.</li> <li>• Demonstrate the ability to do cost-volume-profit analysis.</li> <li>• Discuss cost-revenue analysis.</li> <li>• Describe the budgeting process.</li> </ul>
12	Master Budgets	<ul style="list-style-type: none"> <li>• Budgeting Process</li> <li>• Administrative Procedures Regarding Budgets</li> <li>• Master Budgets</li> </ul>	<ul style="list-style-type: none"> <li>• Discuss the uses of budgets as a management tool.</li> <li>• Explain the purpose of a master budget.</li> <li>• Demonstrate knowledge of budget management procedures and administration.</li> </ul>
13	Flexible Budgets and Standard Costs	<ul style="list-style-type: none"> <li>• Cost Behaviors in the Budgeting Process</li> <li>• Fixed Budget</li> <li>• Standard Costs</li> <li>• Standard Costs as a Management Tool</li> <li>• Flexible Budgets</li> </ul>	<ul style="list-style-type: none"> <li>• Discuss the cost behaviors of variable and fixed costs.</li> <li>• Explain the preparation of a fixed budget.</li> <li>• Describe the user of standard costs in the budgeting process.</li> </ul>

Topics	Topic	Subtopics	Objectives
14	Capital Budgets and Managerial Decisions	<ul style="list-style-type: none"> <li>• Capital Budgeting Without Accounting for Time Value of Money</li> <li>• Capital Budgeting Factoring in the Time Value of Money</li> <li>• Managerial Decision Making</li> </ul>	<ul style="list-style-type: none"> <li>• Define the term capital budget and explain how capital budgets are used by managers.</li> <li>• Differentiate between a capital budget that accounts for the time value of money and one that does not.</li> <li>• Discuss how management uses accounting information to make decisions.</li> </ul>
15	Review	<ul style="list-style-type: none"> <li>• Accounting for Corporate Bonds</li> <li>• Corporate Investments</li> <li>• Corporate Financial Statement Analysis</li> <li>• Statement of Cash Flows</li> <li>• Managerial Accounting</li> <li>• Manufacturing Accounting</li> <li>• Job Order Accounting</li> <li>• Process Cost Accounting</li> <li>• Cost Allocation</li> <li>• Cost Analysis</li> <li>• Master Budgets</li> <li>• Flexible Budgets and Standard Costs</li> <li>• Capital Budgets and Managerial Decisions</li> </ul>	

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