COURSE TITLE & NUMBER: Principles of Accounting 2: BUS 2240
CREDITS: 4 (Lec 4/Lab 0)
PREREQUISITES: BUS 2230: Principles of Accounting 1

CATALOG DESCRIPTION:

OUTLINE OF MAJOR CONTENT AREAS:
1. Corporations
   A. Organizational structure
      1. Stockholders’ equity
      2. Issuing stock
      3. Equity rights
      4. Accounting for dividends
      5. Treasury stock
      6. Stock splits
      7. Appropriations of retained earnings
   B. Corporate earnings
      1. Corporate income taxes
      2. Deferred income taxes
      3. Discontinued operations
      4. Extraordinary items
      5. Changes in accounting principles
      6. Earnings per common share
      7. Prior period adjustments
   C. International transactions
      1. Foreign currency exchange gains and losses
      2. Realized currency exchange gains and losses
      3. Unrealized currency exchange gains and losses
   D. Investments in stocks
      1. Analyzing investments in stocks
      2. Accounting for long term investments in stocks
      3. Business combinations
   E. Bonds payable
      1. Present value concept
      2. Accounting for bonds payable
      3. Bond sinking funds
      4. Investments in bonds
F. Statement of cash flows
   1. Direct method
   2. Indirect method

G. Financial statement analysis
   1. Horizontal analysis
   2. Vertical analysis
   3. Solvency analysis
   4. Profitability analysis

2. Managerial accounting
   A. Concepts
   B. Principles
   C. Job order cost system
   D. Process cost systems

3. Planning and control
   A. Cost behavior
   B. Cost volume profit analysis
   C. Budgeting
   D. Standard cost systems
   E. Decentralized operations

4. Decision making
   A. Differential analysis
   B. Product pricing
   C. Capital investment analysis

COURSE GOALS/OBJECTIVES/OUTCOMES:

1. Students will describe, calculate, and journalize for all stock transactions, long-term liabilities, and investments for corporations.
2. Students will prepare a statement of cash flows using the direct and indirect methods.
3. Students will use financial statement analysis to assess the solvency and profitability of a business.
4. Students will describe, illustrate, and account for the manufacturing business costs, job order cost system, and process cost system.
5. Students will classify production costs, calculate contribution margin and break-even point, and use a cost-volume-profit chart and profit-volume chart.
6. Students will describe and prepare the basic operating budgets for a manufacturing company along with computing and interpreting the material, labor, and overhead variances.
7. Students will perform the necessary calculations for performance evaluation for decentralized operations, differential analysis, product pricing, and capital investment analysis.

HCC COMPETENCIES MET:
Thinking creatively & critically
STUDENT CONTRIBUTIONS:
The student will attend class regularly, participate in class discussion, and complete assignments, unit exams, and a final examination. Students should spend at least five hours per week preparing for class.

METHODS FOR EVALUATING STUDENT LEARNING:
The final grade is determined by assignments, unit exams, and a final examination.

Curriculum Committee Approval Date: March 12, 2018

AASC Approval Date: March 21, 2018
Review Date: March 2023