



ACC250: Principles of Accounting – II

Credit Hours: 3

Contact Hours: This is a 3-credit course, offered in accelerated format. This means that 16 weeks of material is covered in 8 weeks. The exact number of hours per week that you can expect to spend on each course will vary based upon the weekly coursework, as well as your study style and preferences. You should plan to spend 10-25 hours per week in each course reading material, interacting on the discussion boards, writing papers, completing projects, and doing research.

Faculty Information



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Office Hours/Time: Wednesdays & Fridays – 10:30am – 1:30pm EDT

Course Description and Outcomes



This course introduces the study of accounting principles to give students an understanding of the theory and logic that underlie basic accounting procedures and practices. Major topics include the underlying framework of Generally Accepted Accounting Principles (GAAP), accounting for receivables, accounting for plant assets, natural resources and intangibles, current liabilities and payroll accounting, accounting for partnerships and corporations, long-term liabilities, investments, performance measurement and responsibility accounting, and finally, job order and process costing.

Course Learning Outcomes

1. Describe accounting for receivables.
2. Analyze accounting for plant assets, natural resources and intangibles.
3. Examine current liabilities and payroll accounting.
4. Analyze accounting for partnerships.
5. Evaluate accounting for corporations.
6. Analyze accounting for long-term liabilities.
7. Explain investments, performance measurement and responsibility accounting.
8. Describe job order and process costing.

Participation & Attendance



Prompt and consistent attendance in your online courses is essential for your success at **Gunu-Institute**. Failure to verify your attendance within the first 7 days of this course may result in your withdrawal. If for some reason you would like to drop a course, please contact your advisor.

Online classes have deadlines, assignments, and participation requirements just like on-campus classes. Budget your time carefully and keep an open line of communication with your instructor. If you are having technical problems, problems with your assignments, or other problems that are impeding your progress, let your instructor know as soon as possible.

Course Materials



Required:

Wild, J.J., & Shaw, K.W. (2021). *Fundamental accounting principles*, (25th ed.). McGraw Hill. ISBN-13: 9781260247988.

Course Schedule



Due Dates

The Academic Week at **Gunu-Institute** begins on Monday and ends the following Sunday.

- Discussion Boards: The original post must be completed by **Thursday at 12 midnight EST** and Peer Responses posted by **Sunday 12 midnight EST**. Late posts may not be awarded points.
- Mastery Exercises: Students may access and retake mastery exercises through the last day of class until they achieve the scores they desire.
- Critical Thinking Activities: Assignments are due **Sunday at 12 midnight EST**.

Week #	Readings	Assignments
1	<ul style="list-style-type: none"> Chapter 9 in <i>Fundamental Accounting Principles</i> 	<ul style="list-style-type: none"> Discussion Board (25) Mastery Exercises (10)
2	<ul style="list-style-type: none"> Chapter 10 in <i>Fundamental Accounting Principles</i> 	<ul style="list-style-type: none"> Discussion Board (25) Mastery Exercises (10) Critical Thinking (60)
3	<ul style="list-style-type: none"> Chapter 11 in <i>Fundamental Accounting Principles</i>. 	<ul style="list-style-type: none"> Discussion Board (25) Mastery Exercises (10) Critical Thinking (60)
4	<ul style="list-style-type: none"> Chapter 12 in <i>Fundamental Accounting Principles</i> 	<ul style="list-style-type: none"> Discussion Board (25) Mastery Exercises (20) Critical Thinking (60)
5	Chapter 13 in <i>Fundamental Accounting Principles</i>	<ul style="list-style-type: none"> Discussion Board (25) Mastery Exercises (10) Critical Thinking (60)
6	<ul style="list-style-type: none"> Chapter 14 in <i>Fundamental Accounting Principles</i> 	<ul style="list-style-type: none"> Discussion Board #1 (15) Discussion Board #2 (10) Critical Thinking (110)
7	Chapters 15 & 24 in <i>Fundamental Accounting Principles</i>	<ul style="list-style-type: none"> Discussion Board (25) Mastery Exercises (20)
8	Chapters 19 & 20 in <i>Fundamental Accounting Principles</i>	<ul style="list-style-type: none"> Discussion Board (25) Mastery Exercises (20) Portfolio Assignment (350)

Assignment Details



This course includes the following assignments/projects:

Week 2: Critical Thinking (60 Points):

Critical Thinking Assignment (60 Points)

Plant Asset Cost, Depreciation Methods

Nagy Company makes a lump-sum purchase of several assets on January 1, 2024 at a total price of \$1,800,000. The estimated market values of the purchased assets are building, \$890,000; land, \$427,200; land improvements, \$249,200; and five trucks, at \$213,600. You are required to:

1. Allocate the lump-sum purchase price to the separate assets purchased. Prepare the journal entry to record the purchase
2. Compute the first-year depreciation expense on the building using the straight-line method, assuming a 12-year life and a \$120,000 salvage value.
3. Compute the first-year depreciation expense on the land improvements assuming a 10-year life and double-declining-balance depreciation.
4. Compare to straight-line depreciation, does accelerated depreciation result in payment of less total taxes over the asset's life?

Refer to the rubric to ensure meeting all assignment criteria.

Due Saturday by 11:59 PM EST

Week 3: Critical Thinking (60 Points):

Critical Thinking Assignment (60 Points)
Preparing Liabilities Section of a Classified Balance Sheet

Selected accounts from **Russel Company's** adjusted trial balance for the year ended December 31, 2024 follow: You are required to prepare the liabilities section of Russel's classified balance sheet:

FICA-Social Security taxes payable	\$1,600
State unemployment taxes payable	800
Current portion of long-term debt	2,000
Employee federal income taxes payable	5,000
Federal unemployment taxes payable	100
Sales tax payable (due in 1 week)	150
Salaries payable	17,000
Notes payable (due in 4 years)	6,000
FICA-Medicare taxes payable	300
Accounts payable	2,600

Refer to the rubric to ensure meeting all assignment criteria.

Due Saturday by 11:59 PM EST

Week 4: Critical Thinking (60 Points):

Critical Thinking Assignment (60 Points)

Accounting Partnership Formation and Income Allocation for Mike Derr & Mark Finger

This assignment is in two parts: You are required to answer both parts a and b. Part a consists of recording partnership formation and part b consists of income allocation:

- a. Partnership Formation:** Mike Derr and Mark Finger formed a partnership. Derr contributes the following items at market value. Prepare the partnership's journal entries to record Derr's investment:

Cash	\$1,000
Supplies	3,000
Equipment	5,000
Land	8,000
Accounts payable	4,500
Notes payable	3,100

- b. Income Allocation:** Ramer and Knox began a partnership by investing \$60,000 and \$90,000, respectively. During its first year, the partnership earned \$160,000. Prepare calculations showing how the \$160,000 income is allocated under each separate plan for sharing income and loss. Additional information is provided below:

1. The partners did not agree on a plan and therefore share income equally
2. The partners agreed to share income and loss in proportion to their initial investments
3. The partners agreed to share income by giving a \$50,000 per year salary allowance to Ramer, a \$40,000 per year salary allowance to Knox, 10% interest on their initial investments, and the remaining balance shared equally.

Refer to the rubric to ensure meeting all assignment criteria.

Due Saturday by 11:59 PM EST

Week 5: Critical Thinking (60 Points):

Issuance of Common Stock; Accounting for Cash Dividends; Purchase and Sale of Treasury Stock

There are three parts to this assignment: Parts a through c. You are required to answer all parts. Part a is issuance of common stock, part b is accounting for cash dividends and part c is purchase and sale of treasury stock:

Part a (Issuance of Common Stock): Prepare the issuer's journal entry for each of the following separate transactions:

1. On March 1, 2024, Atlantic Corporation issued 42,500 shares of \$4 par value common stock for 297,500 cash.
2. On April 1, 2024, OP Corporation issued no-par value common stock for \$70,000 each
3. On April 6, 2024, MPG Corporation issued 2,000 shares of \$25 par value common stock for \$45,000 of inventory, \$145,000 of machinery, and acceptance of a \$94,000 note payable.

Part b (Accounting for Cash Dividends): Prepare journal entries to record the following transactions for Emerson Corporation:

1. July 15, 2024, Emerson declared a cash dividend payable to common stockholders for \$165,000
2. August 15, 2024, date of record for the cash dividend declared on July 15, 2024
3. August 31, 2024, paid the dividend declared on July 15, 2024.

Part c (Purchase and Sale of Treasury Stock): On May 3, 2024, Zirbal Corporation purchased 4,000 shares of its own stock for \$36,000 cash. On November 4, 2024, the Corporation reissued 850 shares of this treasury stock for \$8,500. Prepare the May 3, 2024, and November 4, 2024 journal entries to record the Corporation's purchase and reissuance of the treasury stock.

Refer to the rubric to ensure meeting all assignment criteria.

Due Saturday by 11:59 PM EST

Week 6: Critical Thinking (110 Points):

VARIOUS COMPUTATIONS

This is a seven-part assignment. Answer each assignment as described below:

Part 1: - Computing Bond Price: Compute the selling price of 8%, 10-year bonds with a par value of \$250,000 and semiannual interest payments. The annual market rate for these bonds is 10%. Use present value Tables B.1 and B.s in Appendix B of your textbook.

Part 2: - Recording Leases: Algoma Incorporated, signs a five-year lease for office equipment with Office Solutions. The present value of the lease payments is \$15,499. Prepare the journal entry that Algoma records at the inception of this finance lease:

Part 3: - Debt-to-equity Ratio: Compute the debt-to-equity ratio for each of the following companies. Which company appears to have a riskier financing structure?

	Atlanta Company	Spokane Company
Total Liabilities	\$429,000	\$549,000
Total Equity	572,000	1,830,000

Part 4: - Issuing Bonds at Par: Madrid Company plans to issue 8% bonds with a par value of \$4,000,000. The company sells \$3,600,000 of the bonds at par on January 1, 2024. The remaining \$400,000 sells at par on July 1, 2024. The bonds pay interest semiannually on June 30, 2024 and December 31, 2024. You are required to:

- Record the entry for the first interest payment on June 30, 2024
- Record the entry for the July 1, 2024 cash sale of bonds.

Part 5: - Determining Bond Discount, Par or Premium: Allegiant Corporation issues 6%, 20-year bonds with a par value of \$2,000,000 and semiannual interest payments. In each separate situation, determine whether the bond is issued at par value, at a discount, or at a premium if the:

- Market rate for the bond is 5%
- Market rate for the bond is 6%
- Market rate for the bond is 7%

Part 6: - Straight-Line – Amortization of Bond Discount: Hillside issues \$4,000,000 of 6%, 15-year bonds dated January 1, 2024, that pay interest semiannually on June 30, 2024 and December 31, 2024. The bonds are issued at a price of \$3,456,448. You are required to:

- Prepare the January 1, 2024 journal entry to record the bond's issuance
- For each semiannual period, compute:
 - The cash payment
 - The straight-line discount amortization, and
 - The bond interest expense

Part 7: - Bond Retirement by Call Option - Tyrell Company issued callable bonds with a par value of \$10,000. The call option requires Tyrell to pay a call premium of \$500 plus par (or a total of \$10,500) to bondholders to retire the bonds. On July 1, 2024, Tyrell exercises the call option. The call option is exercised after the semiannual interest is paid the day before on June 30, 2024. You are required to record the entry to retire the bonds under each separate situation when:

- a. The bonds have a carrying value of \$9,000
- b. The bonds have a carrying value of \$11,000.

Refer to the rubric to ensure meeting all assignment criteria.

Due Saturday by 11:59 PM EST

Final Portfolio Project (350 Points)

Computing and Recording Job Costs; Preparing Schedule of Cost of Goods Manufactured and Balance Sheet

Marco Company shows the following costs for three jobs worked in April 2024:

	Job 306	Job 307	Job 308
Balances on March 31, 2024			
Direct materials used (in March, 2024)	\$29,000	\$35,000	
Direct labor used (in March, 2024)	20,000	18,000	
Overhead applied (March, 2024)	10,000	9,000	
Cost during April, 2024			
Direct materials used	135,000	220,000	\$100,000
Direct labor used	85,000	150,000	105,000
Overhead applied	<u>?</u>	<u>?</u>	<u>?</u>
Status on April 30, 2024	Finished (sold)	Finished (unsold)	In process

Additional Information:

- Raw materials inventory has a March 31, 2024 balance of \$80,000
- Raw materials purchase in April are \$500,000, and total factory payroll cost in April 2024 is \$363,000
- Actual overhead costs incurred in April 2024 are indirect materials, \$50,000; indirect labor, \$23,000; factory rent \$32,000; factory utilities \$19,000; and factory equipment depreciation, \$51,000
- Predetermined overhead rate is 50% of direct labor cost
- Job 306 is sold for \$635,000 cash in April 2024

You are required to:

- Determine the amount of overhead applied to each job in April 2024
- Determine the total cost assigned to each job as of April 30, 2024 (including the balances from March 31, 2024)
- Prepare journal entries for the month of April 2024 to record the following:
 - Materials purchases on credit
 - Direct materials used
 - Direct labor used (and paid in cash) and assigned to Work in Process Inventory
 - Indirect materials used and assigned to Factory Overhead
 - Indirect labor used (and paid in cash) and assigned to Factory Overhead
 - Overhead costs applied to Work in Process Inventory
 - Actual other overhead costs incurred. (Factory rent and utilities are paid in cash)
 - Transfer of Jobs 306 and 307 to Finished Goods Inventory.

- i. Cost of goods sold for Job 306
 - j. Revenue from the sale of Job 306 received in cash
 - k. Close underapplied and overapplied overhead to the Cost of Goods Sold account
4. Prepare a schedule of cost of goods manufactured.
5. Compute gross profit for April 2024, and show how the three inventory accounts are reported on the April 30, 2024 balance sheet.

Refer to the rubric to ensure meeting all assignment criteria.

Due Saturday by 11:59 PM EST

Ensure your written project is 10-15 pages in length; APA-formatted according to **Gunu Institute's** APA policy; include a title page, and a reference page. Use Times New Romans 12-point font and double-spaced throughout.

Course Policies



Late Work

Students are permitted a 7-day grace period during which they may submit a Critical Thinking assignment after the original due date without penalty. Papers submitted between 8 and 14 days after the original due date will be accepted with a potential 10 percent reduction in grade for late submission. Papers submitted 15 or more days beyond the original due date may not be accepted unless prior arrangements have been made with the instructor. **No Portfolios will be accepted late** and no assignments will be accepted after the last day of class unless a student has requested an incomplete grade in accordance with the Incomplete Policy.

Course Grading

20% Discussion Participation
10% Mastery Exercises
35% Critical Thinking
Activities
35% Final Portfolio Paper

Grading Scale and Policies

A	95.0 – 100
A-	90.0 – 94.9
B+	86.7 – 89.9
B	83.3 – 86.6
B-	80.0 – 83.2
C+	75.0 – 79.9
C	70.0 – 74.9
D	60.0 – 69.9
F	59.9 or below
FN*	Failure for Nonparticipation
I**	Incomplete

Artificial Intelligence (AI) Policy:

Students must consult with their instructors before using an AI tool such as GPTZero, ChatGPT, QuillBot etc... in their academic papers.

* Students who stop attending class and fail the course for nonparticipation will be issued the “FN” grade. The FN grade may have implications for financial aid and scholarship awards.

** An “I” grade may be assigned at the instructor’s discretion to students who are in good standing (passing) in the course. Students should have completed a majority of the coursework in order to be eligible for the “I” grade. Students should request an “I” grade from the instructor with a written justification, which must include explanation of extenuating circumstances that prevented timely completion of the coursework. If the request is approved, the instructor will require a written agreement consisting of **a)** the specific coursework to be completed, **b)** the plan to complete the coursework, and **c)** the deadline for completion. The agreement will be kept on file at **Gunu-Institute Campus**. An incomplete course must be satisfactorily completed within the time frame stipulated in the agreement, but no later than the end of the following semester from the date the “I” was given. An incomplete not removed within one year shall convert to an F and be included in the computation of the student’s grade point average.

Academic Integrity

Students must assume responsibility for maintaining honesty in all work submitted for credit and in any other work designated by the instructor of the course. Academic dishonesty includes cheating, plagiarism, unauthorized possession of academic materials, and falsification. The **Student Handbook** provides information on how students can avoid plagiarism by understanding what it is and how to use the library and Internet resources appropriately with proper citation. Please refer to the **Academic Catalog** for complete policies regarding plagiarism and academic dishonesty.

APA

Students are expected to follow the **Gunu-Institute** requirements when citing in APA (based on the APA Style Manual, 6th edition). For details on **Gunu-Institute’s** APA style, please review the APA resources located under the library tab in the course management system.

Netiquette

All posts and classroom communication must be conducted in a professional and respectful manner in accordance with the student code of conduct. Think before you push the Send or Post button. Did you say just what you meant? How will the person on the other end read the words?

Any derogatory or inappropriate comments regarding race, gender, age, religion, sexual orientation, are unacceptable and subject to disciplinary action. If you have concerns about something that has been said, please let your instructor know.

Institutional Policies

Refer to the Academic Catalog for comprehensive documentation of **Gunu-Institute’s** institutional policies