

**Dominican University**

**Brennan School of Business  
ACCT 102: Principles of Accounting  
Spring 2017**

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Prerequisites:	ACCT 101

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**Course Description**

ACCT 102 represents an exciting and challenging continuation of our introduction to financial and managerial accounting. Like ACCT 101, this course also emphasizes fundamental accounting theory and focuses on how accounting information is prepared and used. We begin with a detailed examination of the accounting challenges associated with partnership and corporations. We continue by thoroughly reviewing the accounting treatment of debt and equity transactions. We conclude our financial accounting work by preparing statements of cash flow and by analyzing financial statements using horizontal, vertical, and ratio analysis. The remainder of the course relates to mastering managerial accounting concepts. After reviewing the nature and complexity of manufacturing environments, we focus on how firms budget, measure, evaluate, and control costs. More specifically, we review various costing systems (job order, process, standard costing, activity-based costing), budgetary control procedures, cost-volume-profit analysis, responsibility accounting procedures, and capital budgeting techniques. Throughout the semester, students will reinforce their understanding of course concepts through problem solving, class discussions, in-class exercises, technology projects, and periodical readings.

**Course Objectives**

Upon completion of the two-semester course sequence in accounting, students will have:

1. Developed an understanding of accounting as the language of business and the role of accounting in making economic decisions.
2. Developed an understanding of the significance of accounting systems in generating reliable accounting information.
3. Developed an understanding for the usefulness of accounting information to internal and external parties.
4. Developed an understanding of internal control procedures that create integrity in the reporting process.
5. Developed an understanding of the various professional organizations that govern the preparation and communication of accounting information.

6. Developed an understanding of the importance of an accounting professional's personal competence, professional judgment, and ethical behavior.

Within Principles of Accounting II, specifically, students will understand:

- The characteristics of the partnership form of business organization and how to account for the following partnership activities: formation, division of income and loss, partner admittance/withdrawal, and liquidation.
- The characteristics of the corporate form of business, the rights of stockholders, the differences between preferred and common stock, and the components of corporate capital.
- How to account for stock issuance and treasury stock transactions, how to compute book value per share, and how to prepare the stockholder's equity section of the balance sheet.
- How to prepare entries for cash and stock dividends, how to present discontinued operations, extraordinary items, and changes in accounting principle on the corporate income statement, how to present prior period adjustments on the statement of retained earnings, and how to compute earnings per share.
- The advantages of bond financing, how to account for interest using the straight-line and effective interest methods, how to present and analyze long-term liabilities, and how to distinguish capital and operating leases.
- How debt and stock investments are valued and reported on the financial statements, how trading securities differ from available-for-sale securities, how the cost method differs from the equity method, and how to prepare consolidated financial statements.
- The nature and purpose of the statement of cash flows, how to prepare the statement using the indirect method, and how to distinguish among operating, financing, and investing activities.
- The need for comparative analysis, how to perform horizontal and vertical analysis, and how to evaluate liquidity, profitability, and solvency ratios.
- The distinguishing features of managerial accounting, the differences between manufacturing and merchandising financial statements and between product and period costs, and how to compute cost of goods manufactured.
- The flow of costs in a job order cost accounting system, how to compute predetermined overhead rates, how to prepare entries for jobs completed and sold, and how to account for under and over-applied overhead.
- Just-in-time inventory systems and activity-based costing.
- The difference between variable and fixed costs and how to compute contribution margin, the break-even point, and formulas for determining targeted net income.
- The benefits of the budgeting process, the components of a master budget, and how to prepare various budget statements.
- The importance of budgetary control, flexible budgeting, responsibility accounting, and formulas used to evaluate cost, profit, and investment centers.
- The difference between standards and budgets, the advantages of standards, the formulas for determining labor, material, and overhead variances, and the features of a standard cost accounting system.

- Incremental analysis, relevant costs, and how to evaluate projects using the payback method, the annual rate of return, the net present value, and the internal rate of return.

Consistent with departmental goals established by the School of Business, students will also enhance their:

- **Appreciation for ethical and socially responsible behavior within the workplace (G1).**
- **Ability to communicate effectively in written and verbal formats (G2).**
- **Ability to utilize technology and electronic learning to address business applications (G3).**
- **Quantitative, analytical and critical thinking skills (G4).**
- **Understanding of global issues faced by organizations (G5).**

Note: References to the School of Business goals (G1-G5) are bolded in the course calendar section of the syllabus.

### Course Materials

Required:	Warren Reeve Duchac Accounting 26th Ed. South-Western Cengage (Looseleaf without access code ISBN# 9781285743615)
Optional:	Wall Street Journal Subscription

Course Requirements	Points
Examination One	100
Examination Two	100
Examination Three	100
Ratio Analysis Project	50
Homework Assignments	50
<b>Total</b>	<b>400</b>

Grading	% of 400 points
A	90-100
B	80-89
C	70-79
D	60-69
F	59 and below

### **Examinations**

All examinations will be closed-book. The second and third examinations will be non-cumulative. Students should bring a non-programmable calculator to each exam. Exams can only be re-scheduled with my *prearranged* consent. Missing an exam without my prior permission will automatically get a zero score.

### **Ratio Analysis Project**

I will assign a ratio analysis project related to a publicly owned corporation. Specific assignment details will be reviewed in class.

### **Homework Assignments**

Homework assignments will be collected on ten dates specified by the professor in class. No late assignments will be accepted. If you need to miss class on a particular due date, you will need to submit the homework *prior* to the due date.

### **Other Requests**

- Attendance is mandatory. One absence during the semester is permitted. After that only excused absences will be allowed. Each unexcused absence will carry a penalty of -7 points out of the total 400 points. Please make every effort to attend each class and to actively participate. Your involvement will assist me in assessing your understanding of course material.
- Please demonstrate your professionalism by arriving to class on time, by respecting the comments and questions of your classmates, and by silencing all cellular phones and pagers.
- Please bring your textbook and a calculator to each class.
- Please feel free to contact me during office hours or at any other time with questions regarding course material.
- All written assignments will be evaluated on content and writing quality. Please take advantage of the Dominican University Writing Center in the Library if you need assistance with your writing.
- Please allow me to make minor adjustments to the syllabus as circumstances require.
- For your convenience, I have included the University's Academic Integrity Policy below:

### **Academic Integrity Policy**

Students of the university must conduct themselves in accordance with the highest standards of academic honesty and integrity. Failure to maintain academic integrity will not be tolerated. The following definitions are provided for understanding and clarity.

#### **Definitions of Plagiarism, Cheating and Academic Dishonesty**

Student plagiarism is the deliberate presentation of the writing or thinking of another as the student's own. In written or oral work a student may make fair use of quotations, ideas, images, etc., that appear in others' work only if the student

gives appropriate credit to the original authors, thinkers, owners or creators of that work. This includes material found on the Internet and in electronic databases. Cheating entails the use of unauthorized or prohibited aids in accomplishing assigned academic tasks. Obtaining unauthorized help on examinations, using prohibited notes on closed-note examinations, and depending on others for the writing of essays or the creation of other assigned work are all forms of cheating. Academic dishonesty may also include other acts intended to misrepresent the authorship of academic work or to undermine the integrity of the classroom or of grades assigned for academic work. Deliberate acts threatening the integrity of library materials or the smooth operation of laboratories are among possible acts of academic dishonesty.

### **Sanctions for Violations of Academic Integrity**

If an instructor determines that a student has violated the academic integrity policy, the instructor may choose to impose a sanction, ranging from refusal to accept a work product to a grade of “F” for the assignment to a grade of “F” for the course. When a sanction has been imposed, the instructor will inform the student in writing. The instructor must also inform the student that she/he has the right to appeal this sanction, and refer the student to the Academic Appeals Process described in the Bulletin of the Rosary College of Arts and Sciences. The instructor will send a copy of this letter to the Dean of the Rosary College of Arts and Sciences. The Dean will note whether a student has committed multiple violations of the academic integrity policy over time, and in such cases the Dean may institute a process leading to possible further sanctions, including suspension or expulsion from the university. This process is as follows: The Dean will convene the Arts and Sciences student members and the Arts and Sciences faculty members of the University’s Student-Faculty/Staff Judicial Board, and present to the group a recommendation for warning/reprimand, suspension or expulsion. This group will review the Dean’s recommendation at a hearing to which the student is invited. The group will follow the process outlined in the “Student-Faculty/Staff Judicial Board” section of the current Student Handbook, with the following exceptions: (1) The Dean of the Rosary College of Arts and Sciences will convene the group, not the Dean of Students. (2) The group will consist of the Arts and Sciences student and faculty members, not the full Student-Faculty/Staff Judicial Board. (3) The possible sanctions include only Warning/Reprimand, Suspension and Expulsion.

### **Academic Appeals Process**

Any disagreement with regard to academic procedure, including individual cases of alleged violation of academic integrity and final grades, should first be taken up with the instructor. If this does not settle the matter satisfactorily, the matter should be taken up with the departmental chair. If the issue cannot be resolved at the departmental level, it should then be presented to the Dean of the Rosary College of Arts and Sciences. If the issue is still not resolved, the student has the right to present the issue to the Educational Policies Committee of the Arts and Sciences Council. To do this, the student must provide a written statement of the issue involved to the Dean, who will then place it on the agenda for the

Educational Policies Committee. The committee will request a written response from the instructor and may, at its discretion, seek further oral or written clarifications from the student and/or the instructor. The committee will evaluate the student's appeal and vote to approve or deny it. If the committee denies the student's appeal, the original grade will stand. If the committee approves the student's appeal, the committee will determine the appropriate grade and submit a change of grade form to the Dean. In the event of a successful appeal of an alleged violation of academic integrity, the original letter of notification from the instructor will be expunged from the Dean's file.

## COURSE CALENDAR AND HOMEWORK ASSIGNMENTS

WEEK	Topic	Assignment
1	Statement of Cash Flows	P16-1A, P16-2A
2,3	Financial Statement analysis	P17-1A, P17-2A
4	Cost Accounting Concepts	E18-2, E18-3, E18-4, P18-4A, P18-5A
5	Job Order Costing	P19-2A, P19-3A, P19-4A
6	Exam I	
7,8	Process Cost Systems	P20-3A, P20-4A, P20-5A
9	Cost-Volume-Profit Analysis	P21-2A, P21-2A, P21-5A
10	Budgeting	P22-1A, P22-3A, P22-4A
11,12	Variance Analysis	P23-1A, P23-3A
13	Exam II	
14	Performance Evaluation	E24-10, E24-11, E24-12, E24-13, P24-3A
15	Differential Analysis	E25-1, E25-3, E25-7, E25-9
16	<b>Final Exam</b>	
16	<b>Ratio Analysis Project</b>	<b>Ratio Analysis Project</b>