



South Central College

## ACCT 2822 Intermediate Accounting II

### Course Outcome Summary

#### Course Information

**Description** This is the second of the two course intermediate accounting series. The content of the course covers operational assets, investments, current liabilities and contingencies, long term debt, leases, accounting for income taxes ,accounting changes and error corrections and other advanced accounting topics.

#### Pre/Corequisites

ACCT2821 or equivalent

#### Institutional Core Competencies

Critical and Creative Thinking - Students will be able to demonstrate purposeful thinking with the goal of using a creative process for developing and building upon ideas and/or the goal of using a critical process for the analyzing and evaluating of ideas.

#### Course Competencies

**1. Differentiate between investments that companies make in the stock and debt securities of other companies.**

**Learning Objectives**

Demonstrate how to identify and account for investments classified for reporting purposes as held-to-maturity  
Demonstrate how to identify and account for investments classified for reporting purposes as available-for-sale  
Demonstrate how to identify and account for investments classified for reporting purposes as trading securities  
Explain what constitutes significant influence by the investor over the operating and financial policies of the investee  
Demonstrate the way investments are recorded and reported by the equity method

**2. Analyze current liabilities and contingencies**

**Learning Objectives**

Define liabilities and distinguish between current and long-term liabilities  
Account for the issuance and payment of various forms of notes and record the interest on the notes  
Characterize accrued liabilities and liabilities from advance collection and describe when and how they should be recorded  
Determine when a liability can be classified as a noncurrent obligation  
Identify situations that constitute contingencies and the circumstances under which they should be accrued  
Demonstrate the appropriate accounting treatment for contingencies, including unasserted claims and assessments

**3. Illustrate the accounting treatment of long-term liabilities**



### **Learning Objectives**

Differentiate among the types of accounting changes and distinguish between the retrospective and prospective approaches to accounting for and reporting accounting changes  
Describe how changes in accounting principle typically are reported  
Explain how and why some changes in accounting principle are reported prospectively  
Explain how and why changes in estimates are reported prospectively

## **9. Demonstrate the measurement of reporting issues involving operating assets**

### **Learning Objectives**

Identify the various costs included in the initial cost of property, plant, and equipment, natural resources, and intangible assets  
Determine the initial cost of individual operational assets acquired as a group for lump-sum purchase price  
Determine the initial cost of an operational asset acquired in exchange for a deferred payment contract  
Determine the initial cost of operational assets acquired in exchange for equity securities or through donation  
Calculate the fixed-asset turnover ratio used by analysts to measure how effective managers use property, plant, and equipment  
Explain how to account for dispositions and exchanges for other nonmonetary assets  
Identify the terms included in the cost of a self-constructed asset and determine the amount of capitalized interest  
Explain the difference in the accounting treatment of costs incurred to purchase intangible assets versus the costs incurred to internally develop intangible assets

## **10. Differentiate the different methods of cost recovery**

### **Learning Objectives**

Explain the concept of cost allocation as it pertains to operational assets  
Determine periodic depreciation using both time-based and activity-based methods  
Calculate the periodic depletion of a natural resource  
Calculate the periodic amortization of an intangible asset  
Explain the appropriate accounting treatment required when a change is made in the service life or residual value of an operational asset  
Explain the appropriate accounting treatment required when a change in depreciation, amortization, or depletion method is made  
Identify situations that involve a significant impairment of the value of operational assets and describe the required accounting procedures  
Discuss the accounting treatment of repairs and maintenance, additions, improvements, and rearrangements to operational assets

## **SCC Accessibility Statement**

South Central College strives to make all learning experiences as accessible as possible. If you have a disability and need accommodations for access to this class, contact the Academic Support Center to request and discuss accommodations. North Mankato: Room B-132,