

Study Checklist for Fall 2013 ACC 2010 Final Exam

Date/Time of Final: See Syllabus

The exam consists of 46 multiple choice questions – 8 of the multiple choice questions are 2 points each and 38 multiple choice questions are 3 points each; and 4 multipart problems (20 points total). The multi-part problems will focus on chapters 9, 10 and 11. You still need to know how to solve problems from the other chapters but the problems will be in multiple choice formats (which means no partial credit).

Chapters 1 – 3 (A good review problem for these chapters is Problem 3-8A. Understand the purpose and how to perform all the steps in the accounting cycle assuming the use of accrual accounting:

- Analyze the effect of business transactions i.e. financing, investing and operating
- Prepare journal entries (regular, adjusting, closing), post to ledger, prepare trial balances
- Understand the components of an income statement, balance sheet and statement of stockholders' equity
- Understand the purpose and organization of the accounting records (journal and ledger).

Total of 13 questions could be tied to above points.

Chapter 5 - Receivables and Sales

- Journal entries for sales on account (including credit terms with discounts) and sales returns and allowances (Let's Review pages 218/219)
- Understand the definition of an account receivable (page 214)

Total of 3 questions could be tied to above points.

Chapter 6 – Inventory and Cost of Goods Sold

- Calculate cost of goods available, cost of ending inventory, cost of goods sold and gross profit using LIFO and FIFO, assuming a perpetual inventory system. (Let's Review pages 269/270 Requirements 1 & 2)
- Journal entries for inventory transactions assuming use of a perpetual inventory system (purchases, freight, sales, returns & allowances, discounts) (Let's Review pages 280/281)
- Know how to calculate the inventory turnover ratio (this is the only ratio calculation required on final) (Page 287)

Total of 6 questions could be tied to above points.

Chapter 7 – Long-Term Assets

- Determination of cost for acquisition of an asset (what to include in cost) (Illustration 7-7 page 329)
- Understand the purpose of depreciation and how to calculate depreciation using the Straight-line and Double Declining Balance methods. (Page 330 & Let's Review pages 338/339 - Requirements 1 & 2 only)
- Disposal of assets (recognition of gain or loss) (Pages 341-343)
- Know how we account for internally generated Research and Development costs (Top of page 325)

Total of 8 questions could be tied to above points.

Chapter 8 – Current Liabilities

- Know that we use financial ratios such as current ratio and working capital ratio to determine liquidity of a company i.e. their ability to pay their bills. (You do NOT have to calculate the ratios). Page 386)

Total of 1 question could be tied to above point.

Chapter 9 – Long Term Liabilities

- Prepare journal entries for bonds (whether issued at face, premium or discount) (Pages 426-430):
 - issuance
 - interest payment
 - redemption (at maturity or prior to maturity)
- Prepare and interpret a bond amortization schedule (Illustrations 9-13 & 9-14 pages 426 & 428)
- When we report interest expense on a bond payable (same as above)
- When bond sells at a premium i.e. stated rate is above market (same as above)
- How to calculate the gain/loss on sale of bond given the face value, carrying value and cost to retire. (Pages 430-431)
- How to calculate market rate of bond given carrying value and interest expense i.e. Interest expense=Carrying value x Market interest rate x time period. (same as I.E.= MRxCVS) (same as above) (same as Bullet point 2 for this chapter)
- Know that the price of a bond is equal to the present value of the face amount plus the present value of the stated interest payments (Page 416)
- Problem 9-2A (Requirements 2 &3) is a good review for the problems

Total of 7 questions and two problems could be tied to above points.

Chapter 10– Stockholders' Equity

- Prepare journal entries for (Let's Review pages 474/475):
 - Issuance of common stock (par or no-par) for cash.
 - Purchase and reissuance of treasury stock (for more or less than paid)
 - Declaration and payment of cash dividends
- Balance sheet presentation of all stockholders' equity accounts (Illustration 10-10 page 470)
- Components of Stockholders' Equity in the Balance sheet (Illus. 10-1)
- Retained earnings increases with net income and decreases from declaring dividends (chapters 2 & 10)
- The difference between "Issued", "Outstanding" and "Authorized" stock (page 464/465)
- What "par value" means (page 465)
- How to record the issuance of common stock, the purchase and resale of treasury stock and the declaration of a cash dividend (E10-5)
- Given a "Statement of Stockholders' Equity" formatted, be able to complete the reporting of each of the items in the preceding bullet points in the "Statement of Stockholders Equity" (P10-2A (Requirement 2) & P10-5A (Requirements 1 & 2))

Total of 6 questions and one problem could be tied to above points.

Chapter 11 – Statement of Cash Flows

- Proper classification and presentation of transactions on the cash flow statement
- Prepare cash flow statement in proper form using the indirect method (E11-10 or "Let's Review" page 524)

Total of 3 questions and one problem could be tied to above points.

Note: One problem is listed as being tied to two chapters so while the above total for questions is 47 there are only 46 on the exam.