

 **Course Description**

**Financial Accounting( 2)**

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| **Faculty of Business Administration** | **Department of Tourism and Hotel Management** |
| Course | Financial Accounting( 2) | Prerequisite:  | Financial Accounting (1) |
| Credit Hours:3 | Theoretical:2  | Practical:2 | Course Code:  |  |

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| **Description** |
| This module attempts to cover the various topics pertaining to Merchandising Inventory, Receivables and Plant Assets, which have not been covered by the previous module. In other words, the main objective of this module is to answer the following questions:* What are Merchandising Operations? How are purchases of Merchandise Inventory recorded in a perpetual inventory system? How are sales of merchandise inventory recorded in a perpetual inventory system? What are the adjusting and closing entries for a merchandiser? How are a merchandiser’s financial statements prepared**?** How are Merchandise inventory transactions recorded in a periodic inventory system?
* How are Merchandise inventory costs determined under a perpetual inventory system?How is merchandise inventory valued when using the lower-of-cost-or-market rule?
* What are common types of receivables, and how are credit sales recorded? How are uncollectibles accounted for when using the Direct Write-Off Method? How are uncollectibles accounted for when using the Allowance Method? How are notes receivable accounted for?
* How does a business measure the cost of property, plant, and equipment? What is depreciation, and how is it computed? How are disposals of plant assets recorded? How are exchanges of plant assets accounted for?
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| **Content** |
| This module includes the following topics:

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| **Merchandising Operations** |  |
| * **What Are Merchandising Operations?**
 | 1 |
| **Merchandise Inventory** |  |
| * **How Are Purchases of Merchandise Inventory Recorded in a Perpetual Inventory System?**
 | 2 |
| * **How Are Sales of Merchandise Inventory Recorded in a Perpetual Inventory System?**
 | 3 |
| * **How Are a Merchandiser’s Financial Statements Prepared?**
 | 4 |
| * **How Are Merchandise Inventory Costs Determined Under a Perpetual Inventory System?**
 | 5 |
| Test one | **6** |
| **Internal Control and Cash** |  |
| * **What Is Internal Control, and How Can It Be Used to Protect a Company’s Assets?**
 | 7 |
| * **How Can the Bank Account Be Used as a Control Device?**
 | 8 |
| **Receivables** |  |
| * **What Are Common Types of Receivables, and How Are Credit Sales Recorded?**
 | **9** |
| * **How Are Uncollectibles Accounted For When Using the Allowance Method?**
 | 10 |
| * **How Are Notes Receivable Accounted For?**
 | 11 |
| Test Two | **12** |
| Plant Assets |  |
| * **How Does a Business Measure the Cost of Property, Plant, and Equipment?**
 | 13 |
| * **What Is Depreciation, and How Is It Computed?**
 | 14 |
| * **How Are Disposals of Plant Assets Recorded?**
 | 15 |
| **Final Test** | 16 |

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| **References** |
| * Warren, Carl S; Reeve, James M; Duchac, Jonathan E , “Financial Accounting”, Cengage Learning, 28th Edition, 2019.
* Nobles, Tracie Miller; Mattison, Brenda; Matsumura**, Ella Mae**, “Horngren’s Financial & Managerial Accounting”, Pearson Education, 6th Edition, 2018.
* Thomas, Williams C; Tietz, Wendy M; Harrison, Walter T; Horngren, Charles T, “Financial Accounting”, Pearson Education, 12th Edition, 2019.
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