

COMPETENCY PROFILE

ACCOUNTING II (BTC ONLY)

BTC: ACCT 242 – Financial Accounting II (5 credits)

Using accounting principles and reporting standards, course work focuses on accounting for a merchandising business. Topics covered include: payroll, adjusting and closing entries, preparation of the end of cycle financial statements, as well as accounts and notes receivable and accounts and notes payable.

NOTE: *to earn college credit for this course, students must successfully complete (B or better grade) ACCT 141 and completed the Tech Prep registration process.*



Upon completion of high school courses equivalent to the following competencies:

Preparing Payroll Records

- Define accounting terms related to payroll records.
- Identify accounting practices related to payroll records.
- Complete a payroll time card.
- Calculate payroll taxes.
- Calculate gross earnings, employee deductions for FICA & federal income taxes & net wages.
- Prepare a multi-step income statement/statement of retained earnings & classified balance sheet.
- Prepare a payroll register.
- Prepare the journal entry to record the gross wages, employee deductions & net wages.
- Explain the obligation of the employer for payroll taxes and reports.

Payroll Accounting, Taxes, and Reports

- Describe payroll accounting systems that use a payroll register, employee earnings record, & a general journal.
- Define accounting terms related to payroll accounting, taxes, and reports.
- Identify accounting concepts and practices related to payroll accounting, taxes, and reports.
- Analyze payroll transactions and record a payroll.
- Record employer payroll taxes.
- Prepare selected payroll taxes reports.
- Pay and record withholding and payroll taxes.
- Calculate & record the employer's tax liability for FICA taxes, federal & state unemployment taxes and prepare the journal entry to record the employer's tax payroll expense.

Accounts Payable:

- Describe & illustrate current liabilities related to accounts payable, current portion of long-term debt, & notes payable.
- Describe invoice and check processing techniques.
- Describe best practices for all AP-related functions.
- Prepare the calculation for the cost of goods sold.
- Prepare a classified income statement and balance sheet.
- Prepare a schedule of accounts receivable and accounts payable.

Accounts Receivable:

- Describe the common classifications of receivables.
- Describe the nature of and the accounting for uncollectible receivables.
- Describe the direct write-off method and allowance method of accounting for uncollectible receivables.
- Describe the nature, characteristics, and accounting for notes receivable.
- Describe the reporting of receivables on the balance sheet.
- Describe techniques for extending credit, reducing unauthorized deductions and unearned discounts.

Notes Receivable and Notes Payable:

- Determine whether an instrument meets all the requirements of negotiability.
- Calculate the interest on a note.
- Determine the maturity date of a note.
- Record routine notes payable transactions.
- Record discounted notes payable transactions.
- Record routine notes receivable transactions.
- Compute the proceeds from a discounted note receivable and record transactions related to discounting of notes receivable.
- Describe how to use bank drafts and trade acceptances and how to record transactions related to those instruments.

College Textbook Reference: BTC: College Accounting, 12th Edition; Price, Haddock and Farina (McGraw-Hill Irwin Publishers); Chapters 10-16

This document certifies student has completed the required coursework as defined by the Tech Prep Articulation Agreement and has demonstrated mastery for college credit.