## ACC 200 Challenge Exam Selected Study Topics

## I. Introduction to Accounting and Business

Nature of Business and Accounting

**Types of Business Organizations** 

**Business Stakeholders** 

Generally Accepted Accounting Principles

**Business Entity Concept** 

The Cost Concept

The Accounting Equation

**Income Statement** 

**Retained Earnings Statement** 

**Balance Sheet** 

Interrelationships Among Financial

Statements

## II. Analyzing Transactions

**Using Accounts to Record Transactions** 

Chart of Accounts

Analyzing and Summarizing Transactions in

Accounts

**Normal Balances of Accounts** 

Double-Entry Accounting System

## **III. The Adjusting Process**

Nature of the Adjusting Process

The Adjusting Process

Types of Accounts Requiring Adjustment

**Recording Adjusting Entries for:** 

**Prepaid Expenses** 

**Unearned Revenues** 

**Accrued Expenses** 

Accrued Expenses

Depreciation Expense

## IV. Completing the Accounting Cycle

**Financial Statements** 

Income Statement

**Retained Earnings Statement** 

**Balance Sheet** 

**Closing Entries** 

Journalizing and Posting Closing Entries

Post-Closing Trial Balance

**Accounting Cycle** 

## V. Accounting for Merchandising Business

Financial Statements for a Merchandising Business

Multiple-Step Income Statement

Single-Step Income Statement

**Retained Earnings Statement** 

**Balance Sheet** 

**Merchandising Transactions** 

Chart of Accounts for a Merchandising

Business

**Sales Transactions** 

**Purchase Transactions** 

Transportation Costs, Sales Taxes, and

Trade Discounts

**Dual Nature of Merchandise Transactions** 

**Closing Entries** 

The Periodic Inventory System

Cost of Merchandise Sold Using the Periodic

**Inventory System** 

Chart of Accounts Under the Periodic

**Inventory System** 

**Recording Merchandise Transactions Under** 

the Periodic Inventory

Financial Statements Under the Periodic

**Inventory System** 

Closing Entries Under the Periodic Inventory

System

## VI. Inventories

Control of Inventory

Inventory Cost Flow Assumptions

<u>Inventory Costing Methods Under a</u>

Perpetual Inventory System

First-In, First-Out Method

Last-In, First-Out Method

Average Cost Method

Computerized Perpetual

**Inventory System** 

**Inventory Costing Methods Under a** 

Periodic Inventory System

First-In, First-Out Method

Last-In, First-Out Method

Average Cost Method

Reporting Merchandise Inventory in the

Financial Statements

Merchandise Inventory on the Balance

Sheet

Effect of Inventory Errors on the Financial

Statements

## VII. Sarbanes-Oxley Internal Control, And Cash

#### **Internal Control**

Objectives of Internal Control Elements of Internal Control

**Control Environment** 

Risk Assessment

**Control Procedures** 

### Cash Controls Over Receipts and Payments

Control of Cash Receipts Control of Cash Payments

**Bank Reconciliation** 

### VIII. Receivables

#### Classification of Receivables

Accounts Receivable Notes Receivable Other Receivables

**Uncollectible Receivables** 

## Direct Write-Off Method for Uncollectible Accounts

#### **Allowance Method for Uncollectible Accounts**

Write-Offs to the Allowance Account Estimating Uncollectibles

## Comparing Direct Write-Offs and Allowance Methods

#### **Notes Receivable**

Characteristics of Notes Receivable Accounting for Notes Receivable

#### IX. Fixed Assets and Intangible Assets

#### **Nature of Fixed Assets**

**Classifying Costs** 

The Cost of Fixed Assets

Capital and Revenue Expenditures

### **Accounting for Depreciation**

Factors in Computing Depreciation Expense

Straight-Line Method

Double-Declining-Balance Method

## **Disposal of Fixed Assets**

Discarding Fixed Assets Selling Fixed Assets

#### **Intangible Assets**

Patents

Copyrights and Trademarks

Goodwill

# Financial Reporting for Fixed Assets and Intangible Assets

### X. Current Liabilities and Payroll

#### **Current Liabilities**

Accounts Payable

Current Portion of Long-Term Debt

**Short-Term Notes Payable** 

## **Payroll and Payroll Taxes**

Liability for Employee Earnings Deductions from Employee Earnings Computing Employee Net Pay Liability for Employer's Payroll Taxes

## XI. Corporations: Organization, Stock, Transactions and Dividends

## **Nature of a Corporation**

Characteristics of a Corporation Forming a Corporation

## Paid-In Capital from Issuing Stock

Characteristics of Stock

Classes of Stock

Issuing Stock
Premium on Stock

No-Par Stock

### **Accounting for Dividends**

**Cash Dividends** 

Stock Dividends

## **Treasury Stock Transactions**

### Reporting Stockholders' Equity

Stockholders' Equity in the Balance

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Reporting Retained Earnings

Statements of Stockholders' Equity

## XII. Bonds Payable and Investments in Bonds

# Characteristics, Terminology, and Pricing of Bonds Payable

Bond Characteristics and Terminology Pricing of Bonds Payable

## **Accounting for Bonds Payable**

Bonds Issued at Face Amount Bonds Issued at a Discount Amortizing a Bond Discount Bonds Issued at a Premium Amortizing a Bond Premium

Zero-Coupon Bonds

#### Payment and Redemption of Bonds Payable

Bond Sinking Funds Bond Redemption