

MIDSTATE COLLEGE
411 W. NORTHMOOR RD. PEORIA, IL 61614
(309) 692-4092 (800) 251-4299
Spring 2019

Course Number & Name: ACC 406 – Auditing II

Credit hours: 4 quarter hours

Method of Delivery: on-line

Course Description: The student will study the fundamental principles of auditing. Topics include professional ethics and legal liability; internal control; risk analysis; the audit process; auditing around the computer and auditing through the computer

Prerequisite: ACC 405 Auditing I

Text(s) & Manual(s): Principles of Auditing and Other Assurance Services – 20th Edition and Connect + Accounting

Author(s): O. Ray Whittington and Kurt Pany

Publisher: McGraw-Hill Irwin

Materials needed for this course: Access to internet to complete assignments on Connect +, hardware/software and equipment: See “System Requirements for eLearning” in the Midstate College Student eLearning Guide.

Topics:

1. Cash and Financial Investments
1. Accounts Receivable, Notes Receivable, and Revenue
2. Inventories and Cost of Goods Sold
3. Property, Plant, and Equipment: Depreciation and Depletion
4. Accounts Payable and Other Liabilities
5. Debt and Equity Capital
6. Auditing Operations and Completing the Audit
7. Auditors’ Reports
8. Integrated Audits of Public Companies
9. Additional Assurance Services: Historical Financial Information

Learning Objectives: Upon completion of this course, the student will be able to:

1. Describe the sources and the nature of cash, accounts receivable, inventories, accounts payable, property plant and equipment and debt/equity capital.
2. State the auditors’ objective in the audit of cash, accounts receivable, inventories, accounts payable, property, plant and equipment and debt/ equity capital.
3. Describe the control environment, risk assessment, and monitoring practices over cash, accounts receivable, inventories, accounts payable, property, plant and equipment and debt/equity capital.
4. Describe the relationship of revenue to the balance sheet.
5. Name the items to complete the audit.

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6. Describe the different types of auditors' reports.
7. Understand integrated audits of public companies.
8. Understand additional assurance services such as historical financial information.

Midstate Grading scale:

90 - 100	A
80 - 89	B
70 - 79	C
60 - 69	D
0 - 59	F

Midstate Plagiarism Policy:

Plagiarism is using another person's words, either by paraphrase or direct quotation, without giving credit to the author(s). Plagiarism can also consist of cutting and pasting material from electronic sources by submitting all or a portion of work for assignment credit. This includes papers, computer programs, music, sculptures, paintings, photographs, etc. authored by another person without explicitly citing the original source(s). These actions violate the trust and honesty expected in academic work. Plagiarism is strictly against the academic policy of Midstate College. Its seriousness requires a measured, forceful response which includes consequences for inappropriate and/or no citation.

In courses containing writing assignments, the College promotes the use of an electronic resource which compares the student's writing against previously submitted papers, journals, periodicals, books, and web pages. Students and instructors can use this service to reduce the incidence of plagiarism. This electronic resource has been found to conform to legal requirements for fair use and student confidentiality. It is able to provide a report to the student indicating the parts of the assignment that match.

Flex courses are taught both on-campus and through eLearning. Flex courses offer personalized learning where students can choose each week whether they want to attend on-campus, via eLearning, or both.

On-campus = If a student attends an on-campus course, he or she will be counted as present.

eLearning = To be considered in attendance for an eLearning course, the student must participate each week by submitting substantial, gradable work.

Student Success:

The Office of Student Success is available to students seeking tutoring for individual classes or who need assistance with writing assignments. Information is also available on test taking techniques, how to take notes, developing good study skills, etc. Contact student success using the following email: studentsuccess@midstate.edu.

Instructor: Thomas Razo, CPA, CHFP.

e-mail: tmrazo@midstate.edu

Hours: By appointment only.

Policies and Procedures: A passing grade must be attained on all quizzes and tests combined. Assigned Homework must be done, and regular participation will also be taken into consideration. Homework, exams, and quizzes must be done on McGraw-Hill Connect web address (provided first day of class).

Participation Requirements: This class is designed to prepare students for careers in accounting and/or as preparation for writing the CPA exam. As such, the workload will be heavy, and the students will be expected to perform to a professional level each and every week. Assignments are to be done in Connect.

Method of evaluating student performance: Grades for this class are determined as follows:

Discussion & Summary Questions	= 20
Homework	= 220
Group Project	= 50
Mid-term exam	= 100
Final Exam	= <u>100</u>
Overall grade	= 490

[Schedule](#)

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Please answer the discussion question each week.

WEEK	CHAPTER	TOPIC	OBJECTIVE	ASSIGNMENT
1	10	Cash and Financial Investments	1	Chapter 10 Interactive Test Bank
2	11	Accounts Receivable, Notes Receivable and Revenue	2	Chapter 11 Interactive Test Bank
3	12	Inventories and Cost of Goods Sold	3	Chapter 12 Interactive Test Bank
4	13	Property, Plant and Equipment: Depreciation and Depletion	3	Chapter 13 Interactive Test Bank
5	14	Accounts Payable and Other Liabilities	4	Chapter 14 Interactive Test Bank
6	10-14	Midterm Exam		Midterm Exam
7	15	Debt and Equity Capital	5	Chapter 15 Interactive Test Bank
8	16	Auditing Operations and Completing the Audit	6	Chapter 16 Interactive Test Bank
9	17	Auditors' Reports	8	Chapter 17 Interactive Test Bank Group Project
10	18	Integrated Audits of Public Companies	7	Chapter 18 Interactive Test Bank
11	19	Additional Assurance Services: Historical Financial Information	8	Chapter 19 Interactive Test Bank
12	15-19	Final Exam		Final Exam Group Project Due

The instructor reserves the right to modify the syllabus at any time should that action be deemed necessary.

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