

**Topic Coverage for Entrance Exam from Accounting 2010
for entrance into ACCT 3110 and ACCT 3310**

1. Be able to properly date the four financial statements (income statement, statement of changes in stockholders' equity, balance sheet, statement of cash flows).
2. Be able to identify the financial statements on which various accounts are found.
3. Be able to identify under which "activities" section on a statement of cash flows that various cash inflows and outflows would be found.
4. Understand the accounting equation and how transactions affect the various components.
5. Be able to journalize business transactions in a debit / credit format.
6. Be able to prepare adjusting entries (both accrual and deferral items).
7. Understand closing entries.
8. Understand and be able to apply the concept of a product / period cost.
9. Understand the accounting of a perpetual inventory system.
10. Be able to calculate gross margin and the gross margin percentage.
11. Be able to calculate ending inventory, cost of goods sold, and gross margin using the FIFO / LIFO / Weighted Average inventory methods.
12. Be able to classify an asset / liability as current / non-current on a classified balance sheet.
13. Understand the accounting for petty cash.
14. Be able to prepare a bank reconciliation, including any necessary adjusting entries.
15. Understand accounting for uncollectible accounts using the allowance method (both percent of revenues and percent of receivables).
16. Understand what costs are capitalized in relation to accounting for long-term assets.
17. Be able to calculate depreciation expense and book value using the straight-line, double-declining balance and units-of-production methods.
18. Understand the accounting related to the sale of a piece of equipment, including gain or loss.
19. Understand accounting for payroll transactions.
20. Understand accounting for bonds using the straight-line method for amortizing a bond discount / premium, including the determination of interest expense and carrying value of the bonds payable.
21. Be able to prepare a loan (promissory) note amortization schedule.
22. Understand accounting for common stock, preferred stock, treasury stock, small stock dividends and stock splits.
23. Be able to determine the amount of dividends that preferred and common stockholders would receive.