

# ADVANCED PLACEMENT (AP) ACCOUNTING COURSE & EXAM PILOT PROGRAM

## MODULE 7 ACCOUNTING FOR LONG-TERM LIABILITIES AND EQUITY | CHS 13, 14 & 15

**Learning Objective: Apply generally accepted accounting principles to long-term liabilities and equity transactions.**

Student Outcomes		Topic*	Ch & Time
7.1	Compare and contrast debt & equity financing; review debt-to-equity ratio.	F	Ch 13 (p 367 – 373; 378 – 387) 5 hours
7.2	Identify and describe the different classes of stock and explain the rights afforded each class of stock.	F	
7.3	Describe the difference between cash dividends, stock dividends and stock splits, and the impact on the financial statements.	F	
7.4	Record stock transactions: contributions by owners, corporate distributions (dividends), and the reacquisition of company stock.	F	
7.5	Define and calculate TIE (Times-interest-earned ratio).	F	Ch 14 5 hours
7.6	Compare and contrast a periodic payment note payable, a lump-sum note payable, and a periodic and lump-sum note payable.	F	
7.7	Calculate the carrying value, interest expense and cash payment for note payable (periodic payment, lump-sum, periodic and lump-sum) transactions.	F	Ch 15 5 hours
7.8	Record transactions for notes payable: issuance and interest expense.	F	
7.9	Record transactions for bonds issued at face value, a premium and a discount.	F	
7.10	Record interest expense for bonds issued at face value, a premium and a discount using the effective-interest method.	F	
Module 7 Total Hours = 15			

\* F: Financial Accounting; M: Managerial Accounting; A: Financial Statement Analysis