

To: Spring 2026 Intermediate Accounting I Students
From: Audrey Scarlata, Chair, Department of Accounting
Date: October 7, 2025
Re: Intermediate Accounting I (ACTG 3110) entrance requirement

We are continuing our efforts to ensure that our accounting majors have the appropriate skills and knowledge to succeed in our program. Because our professors have noticed significant variability in students' knowledge and level of preparedness, we have developed a process to ensure students are adequately prepared as they enter Intermediate Accounting I (ACTG 3110).

As specified in the MTSU undergraduate catalog, students enrolling in Intermediate Accounting I must achieve a passing grade on a departmental admission exam, now called the Intermediate Readiness Exam. A score of 70 percent or higher on the Intermediate Readiness Exam qualifies as a passing grade and fulfills the entrance requirement for Intermediate Accounting I. For Spring 2026, a student who does not score 70 percent or higher on the Intermediate Readiness Exam can still meet the entrance requirement by successfully completing ALEKS® - Financial Accounting (Accounting Cycle/Corporation) by **11:59 p.m. on Thursday, January 22, 2026**. A student who enrolls in Intermediate Accounting I during Spring 2026 semester **MUST TAKE** the Intermediate Readiness Exam, unless the student met the entrance requirement as part of the Intermediate Accounting I curriculum during the previous term of enrollment, but not before the Summer 2025 semester. Completion of the entrance requirement for enrollment in Intermediate Accounting I during the Spring 2026 semester will be valid through the Fall 2026 semester. After the Fall 2026 semester, the student will be required to retake the Intermediate Readiness exam.

Exam Procedures

The exam may be taken only one time between Wednesday, November 19, 2025, and Monday, January 12, 2026. As soon as you determine the date on which you would like to take the Intermediate Readiness Exam, email Ms. Monica Davis at Monica.Davis@mtsu.edu to request a spot for that sitting of the exam; your request should include your M# and must be made more than 24 hours before the desired exam date and time. Ms. Davis will respond within 24 hours of your request to confirm your exam is scheduled; she will also provide instructions regarding the location of your exam in the Business and Aerospace building (BAS) and what you should bring with you to the exam. Exam dates are as follows:

Date	Time	Location
Wed., November 19	8:50 a.m. - 10:00 a.m.	BAS
Thurs., December 4	2:50 p.m. - 4:00 p.m.	BAS
Sat., December 6	9:50 a.m. - 11:00 a.m.	BAS
Mon., January 12	5:50 p.m. - 7:00 p.m.	BAS

We encourage you to take the Intermediate Readiness Exam as soon as possible. Since the registration confirmation date precedes the last date the exam is being offered, your anticipated financial aid may be reduced if you are not otherwise enrolled full time in outstanding coursework that applies toward your program. In such cases, you are encouraged to inquire at MTOneStop@mtsu.edu to ensure you have

sufficient financial aid to confirm registration by the fee payment due date. You must be registered in ACTG 3110 by the census date (14th calendar day of the fall or spring semesters) to ensure appropriate credit hours are included in your enrollment status used to determine financial aid eligibility for disbursement purposes.

Exam Topics

The exam tests financial accounting topics from traditional principles of accounting courses. Managerial accounting topics will not be covered on the exam as those concepts are not part of the Intermediate Accounting I course content. A study guide in the form of a topical index of concepts covered in traditional principles of accounting courses is provided at the end of this document.

Post-Exam Procedures

You will be able to enroll in ACTG 3110 the same day that you take the Intermediate Readiness Exam. For ease in finalizing your Spring 2026 course schedule, we strongly encourage you to keep an ACTG 3110 class meeting time open until you have taken the Intermediate Readiness Exam:

Spring 2026 ACTG 3110 Intermediate I Course Offerings:
Blended - Mondays on ground 12:40 – 2:05 a.m. coupled with an asynchronous component
Traditional – Mondays and Wednesdays on-ground 2:20 – 3:45 p.m
Online - Asynchronous online with four in-person meetings for exams

ALEKS®

A student who is required to complete ALEKS® - Financial Accounting (Accounting Cycle/Corporation) to meet the entrance requirement, because a score of 70 percent or higher was not achieved on the Intermediate Readiness Exam, will be provided a free access code for ALEKS® upon request. ALEKS® is an interactive online learning system that assesses a student's beginning knowledge level and then offers instruction, based on the assessment, to bring the student to the appropriate knowledge level. The time requirement to complete the online module ranges from approximately five hours to 45 hours. ALEKS® - Financial Accounting (Accounting Cycle/ Corporation) must be completed by **11:59 p.m. on Thursday, January 22, 2026, to meet the entrance requirement for Spring 2026 semester.**

A student who does not successfully complete the entrance requirement by 11:59 p.m. on Thursday, January 22, 2026, will be given the option of withdrawing from the course for the semester or remaining in Intermediate Accounting I for the duration of the semester and earning a semester grade of F or FA (determined by the student's attendance history in Intermediate Accounting I during Spring 2026 semester). In the event that a student chooses to remain enrolled in Intermediate Accounting I after failing to meet the entrance requirement by the deadline of 11:59 p.m. on Thursday, January 22, 2026, no assignments or tests will be graded from that point forward. Completion of the entrance requirement for enrollment in Intermediate Accounting I during the Spring 2026 semester will be valid through the Fall 2026 semester. After the Fall 2026 semester, the student will be required to retake the Intermediate Readiness exam.

Please contact Ms. Davis at Monica.Davis@mtsu.edu with any questions you have regarding the Intermediate Accounting I entrance requirement.

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Intermediate Readiness Exam Study Guide

The textbook you used in Principles of Accounting I & II (excluding the managerial accounting chapters), regardless of where you took those courses, is your best study source. You may be tested on any of the following concepts at the principles level.

Accounting and the Business Environment

- Use of accounting vocabulary
- Apply accounting concepts and principles
- Use the accounting equation
- Analyze business transactions
- Prepare the financial statements
- Evaluate business performance

Recording Business Transactions

- Use accounting terms
- Apply the rules of debit and credit
- Record transactions in the journal
- Post from the journal to the ledger
- Prepare and use a trial balance
- Analyze transactions without a journal

The Adjusting Process

- Distinguish accrual accounting from cash-basis accounting
- Apply the revenue recognition and matching principles
- Make adjusting entries
- Prepare an adjusted trial balance
- Prepare the financial statements from the adjusted trial balance

Completing the Accounting Cycle

- Close the revenue, expense, and withdrawal accounts
- Classify assets and liabilities as current or long-term

Merchandising Operations

- Account for the purchase of inventory
- Account for the sale of inventory
- Adjust and close the accounts of a merchandising business
- Prepare a merchandiser's financial statements

Merchandise Inventory

- Compute perpetual inventory amounts under FIFO, LIFO, and average cost
- Record perpetual inventory transactions
- Compare the effects of FIFO, LIFO, and average cost
- Apply the lower-of-cost-or-market rule to inventory
- Measure the effects of inventory errors

Receivables

- Use the allowance method to account for uncollectibles by the percent-of-sales and aging-of-accounts methods
- Use the direct write-off method to account for uncollectibles
- Account for notes receivable
- Report receivables on the balance sheet

Internal Control and Cash

- Prepare a bank reconciliation and the related journal entries

Plant Assets and Intangibles

- Measure the cost of a plant asset
- Account for depreciation
- Account for the disposal of a plant asset
- Account for intangible assets

Current Liabilities and Payroll

- Account for current liabilities of known amount
- Account for current liabilities that must be estimated
- Report current liabilities on the balance sheet

Corporations: Paid-in Capital and the Balance Sheet

- Identify the characteristics of a corporation
- Record the issuance of stock
- Prepare the stockholders' equity section of a corporate balance sheet
- Account for cash dividends

Retained Earnings, Treasury Stock, and the Income Statement

- Account for small stock dividends
- Account for treasury stock
- Analyze a complex income statement
- Prepare a statement of stockholders' equity

Long-term Liabilities

- Account for bonds payable transactions
- Measure interest expense by the effective-interest method
- Account for retirement of bonds payable
- Report liabilities on the balance sheet

Investments

- Account for debt security investments
- Account for equity security investments

The Statement of Cash Flows

- Identify the purposes of the statement of cash flows
- Distinguish among operating, investing, and financing cash flows
- Prepare a statement of cash flows by the indirect method
- Prepare a statement of cash flows by the direct method

Financial Statement Analysis

- Compute the standard financial ratios