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MIDDLE TENNESSEE STATE UNIVERSITY

JONES COLLEGE OF BUSINESS

To: Spring 2027 Intermediate Accounting I Students

From: Audrey Scarlata, Chair, Department of Accounting

Date: October 30, 2026

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 departmental admission process to help students assess whether they 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 take a departmental admission exam called the Intermediate Readiness Exam. Your score on this admission exam provides valuable information about your foundational readiness for ACTG 3110, and past experience has shown that your exam score can be a useful indicator of success in the course. Knowing your score will help you determine how much preparation you may need before the semester begins. Regardless of your score, you will still be able to enroll in ACTG 3110; the goal of the exam is to help you better understand your preparation and take steps that can improve your chances of success in the course.

In addition, your score on the Intermediate Accounting I entrance exam will be provided directly to your course instructor. This assessment allows your professor to gauge the overall foundational readiness of the class and determine if prerequisite concepts may need reinforcing before transitioning into more complex accounting topics.

Sitting for the Intermediate Readiness Exam fulfills the entrance requirement for Intermediate Accounting I for the Spring 2027 semester. A student who enrolls in Intermediate Accounting I during the Spring 2027 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 2026 semester. Completion of the entrance requirement for enrollment in Intermediate Accounting I during the Spring 2027 semester will be valid through the Fall 2027 semester. After the Fall 2027 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 18, 2026, and Monday, January 11, 2027. 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 to confirm your exam is scheduled; she will also provide a separate email with 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 18	8:50 a.m. - 10:00 a.m.	BAS
Thurs., December 3	10:50 p.m. - 12:00 p.m.	BAS
Sat., December 5	9:50 a.m. - 11:00 a.m.	BAS
Mon., January 11	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**

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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 2027 course schedule, we strongly encourage you to keep an ACTG 3110 class meeting time open until you have taken the Intermediate Readiness Exam:

Spring 2027 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

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