



ACC 301 INTERMEDIATE ACCOUNTING I (3 credit hours) Spring 2010

Class Schedule:

Monday – Friday 9:00 AM – 4:00 PM

Instructor Information:

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Calendar Description:

This course examines current conventional accounting standards with respect to asset and liability measurement and income determination with a particular emphasis on the asset side of the balance sheet. Specific topics include cash, receivables, inventories, short and long-term investments, intangible assets and capital assets. (*Prerequisite ACC 200*)

Overview of the Course:

ACC 301 is an intermediate level financial accounting course designed for those students who have **successfully** completed an introductory financial accounting course. ACC 301 and ACC 302 together provide a comprehensive study of financial accounting and reporting and are the courses that cover most of the sections contained in the CICA Accounting Handbook which prescribes accounting standards to be used for financial reporting in Canada. There is a vast body of knowledge that must be mastered before you can account for the activities of an enterprise. Intermediate accounting is the essential course for gaining the technical skills and judgement you need to succeed. Although a few topics are covered in greater depth in advanced accounting courses, virtually every important corporate reporting topic is included in an intermediate accounting course. Mastery of the content of intermediate accounting is crucial for anyone who hopes to either use or prepare accounting information.

ACC 301 starts with a review of GAAP (generally accepted accounting principles) and establishes the common reporting motivations of companies and financial statement users, as well as the basic concepts of accounting. The income statement, retained earnings statement, balance sheet, cash flow statement, disclosure notes, and the new statement of comprehensive income are reviewed in Chapters 3-5. Criteria guiding revenue and expense recognition are covered in Chapter 6 and issues relating to monetary balances (cash, receivables, and payables) are covered in Chapter 7. Chapters

8-10 deal with inventory and accounting for capital assets, both tangible and intangible. Chapter 11 reflects the financial instrument rules implemented for publicly accountable enterprises in 2007. The objectives for the course are as follows:

1. Students will gain an understanding of the Canadian and international financial reporting environments and of the criteria used in determining the application of Canadian GAAP.
2. Students will be able to prepare financial statements and related disclosures that meet Canadian GAAP requirements.
3. Students will gain an understanding of revenue and expense recognition using Canadian GAAP and be able to apply that understanding to real life business transactions.
4. Students will understand and apply principles to record, report and disclose financial information on monetary assets, inventories, capital and related assets, and financial instruments/investments.

Required Textbook:

Intermediate Accounting, Beechy & Conrod, 4th Edition. McGraw-Hill Ryerson, Volume 1

Online Learning Centre:

http://highered.mcgraw-hill.com/sites/0070978859/student_view0/index.html

Other: CICA Handbook – Accounting Recommendations

<http://edu.knotia.ca>

Course Requirements & Class Attendance:

The course combines *lectures and in-class problem solving*. To effectively work on problems in class you will need to read the assigned chapter prior to class. **Class attendance and keeping up to date on the material is critical to be successful in this course.** Assigned problems are required to be passed in for each chapter. To learn and understand the material you need to read each chapter thoroughly and complete the assigned problems. Additional solved problems are found at the end of each chapter and on the Online Learning Centre.

The midterm and final exams will be designed to test the conceptual understanding and procedural application of the material covered during the course, and will be patterned after the in-class and assigned exercises and problems. The following is a summary of all evaluation methods and relative weights for the course:

Evaluation Method	Weight	Date	Material/Due Date
Individual Assignments	15%	Assigned Weekly	TBA
Midterm Exam	35%	TBA	Chapters 1 - 7
Final exam	50%	TBA	Chapters 1 – 11

Note: A minimum of 40% on the Final Exam is a requirement for successful completion of this course.

Examinations:

Graded final examinations will be available for supervised review at the request of the student.

Grading Scale:

The available letters for course grades are as follows:

<u>% Grade</u>	<u>Letter Grade</u>	<u>Description</u>
95% to 100%	A+	
90% to 94%	A	Excellent
85% to 89%	A-	
80% to 84%	B+	
76% to 79%	B	Good
72% to 75%	B-	
68% to 71%	C+	
64% to 67%	C	Satisfactory
60% to 63%	C-	
55% to 59%	D+	
50% to 54%	D	Minimal Pass
0% to 49%	F	Failure

Other Information:

It is the responsibility of all students to become familiar with and adhere to the academic policies as stated in the current Student Handbook and Academic Calendar. In particular, students are to note academic regulation #34 - Academic Dishonesty.

Personal information, that is information about an individual that may be used to identify that individual, may be collected as a requirement as part of taking this class. Any information collected will only be used and disclosed for the purpose for which the collection was intended. For further information contact the Privacy Compliance Officer at privacy@ambrose.edu.

Summary of Material to be Covered:

<u>Chapter</u>	<u>Topic</u>
1	The Environment of Financial Accounting <ul style="list-style-type: none">• Review of GAAP and accounting cycle• Ethics in accounting• Recognition criteria and elements of financial statements• Measurement methods• Accounting information processing system
2	Criteria for Accounting Choices <ul style="list-style-type: none">• IASB framework• Objectives of financial reporting• Accounting assumptions and qualitative characteristics• Professional judgment in financial reporting
3	Income & Retained Earnings Statement <ul style="list-style-type: none">• Nature of income• Presentation of the income statement• Discontinued operations• Extraordinary items and unusual gains and losses• Introduction to EPS• Comprehensive income• Statement of retained earnings• Restatements of retained earnings of prior years• Goods and Services Tax
4	Balance Sheet & Disclosure Notes <ul style="list-style-type: none">• Balance sheet presentation• Note disclosures
5	Cash Flow Statement <ul style="list-style-type: none">• Theoretical foundation• Classification of cash flows• Preparation of the cash flow statement (T account & format free methods)• Disclosure and special issues• Interpretation of the cash flow statement• Worksheet approach (appendix)

- 6 Revenue & Expense Recognition**
- Revenue recognition concepts
 - Revenue recognition at delivery
 - Revenue recognition before and after delivery
 - Revenue recognition by effort expended
 - Recognition of gains and losses
 - Expense recognition
 - Ethical considerations

- 7 Current Monetary Items**
- Nature of current financial assets
 - Cash
 - Receivables
 - Accounting for bad debt expense & aging of receivables
 - Notes receivable and payable
 - Current liabilities
 - Time value of money (in Online Learning Centre)
 - Basic interest concepts
 - Computing present value

MIDTERM EXAM Chapters 1 – 7 (35%)

- 8 Inventories & Cost of Sales**
- Nature of inventory
 - Perpetual and periodic inventory systems
 - Effect of inventory errors on income
 - Valuation at lower of cost or net realizable value
 - Inventory estimation methods
 - Retail method
 - Gross Profit Method
 - Internal controls over inventory
 - Inventory cost methods & formulas (appendix)

- 9 Capital Assets, Intangibles & Goodwill**
- Definition and valuation of capital assets
 - Determining the cost of capital assets
 - Post-acquisition expenditures
 - Intangible assets
 - Goodwill
 - Disposal and exchange of capital assets
 - Non-monetary exchanges
 - Disclosure and cash flow reporting

10

Amortization & Impairment

- Nature of amortization
- Amortization methods
- Additional amortization issues
- Impairment of capital assets and goodwill
- Capital cost allowance
- Amortization of natural resources
- Disclosure requirements
- Ethical considerations

11

Investments in Debt & Equity Securities

- Financial instrument rules
- Classification of investments
- Accounting for held-to-maturity investments
- Accounting for available-for-sale investments
- Accounting for held-for-trading investments
- The equity method (significant influence vs. control)
- Reclassification of investments
- Classification and disclosure issues

FINAL EXAM Chapters 1 - 11 (50%)