



## **School of Business and Creative Design**

Business & Business Administration Department

### **Course Outline – Fall 2013**

**Course Code:** ACC 3804

**Course Title:** Intermediate Accounting I

*Prepared By:* Mark Magee

*Date:* June 2011

*Revised By:* Mark Magee

*Date:* June 2013

*Approved By:* Yvonne Clarke, Associate Dean

*Prerequisite:* ACC 2004

*Corequisite:* None

*Prerequisite for:* ACC 4804

## 1. Course Description

*This intermediate accounting course focuses on financial reporting and accounting concepts as well as the asset side of the balance sheet. Topics surveyed include the conceptual framework underlying financial reporting, reporting financial performance, reporting financial position and cash flows and revenue recognition. Coverage of assets includes cash and receivables, inventory, investments, intangible assets as well as property, plant and equipment. After completing this intermediate accounting course, students will be able to apply this knowledge to identify measure and communicate financial information.*

*This course is recognized for credit with the Certified General Accountants Association of Ontario, leading to the designation C.G.A.*

## 2. General Education and Essential Employability Skills

**This course provides the following provincial Essential Employability Skills:**

- #1: Communication
- #2: Numeracy
- #3: Critical Thinking and Problem Solving
- #4: Information Management
- #6: Personal

**Is this course approved as a General Education course?**

☒

**No**

☐

**Yes**

Students should refer to their program's restricted General Education courses for final determination.

## 3. Learning Outcomes

Upon successful completion of this course, the learner will be able to:

1. Explain the accounting environment.
2. Explain and apply financial statement concepts and principles.
3. Prepare financial statements in accordance with the appropriate accounting standards.
4. Identify and apply revenue recognition principles.
5. Account for and explain the accounting issues related to cash and receivables.
6. Explain and account for the various methods of inventory valuation.
7. Explain and apply various methods of accounting for investments in debt and equity instruments.

8. Explain and account for property, plant and equipment as well as intangible assets and goodwill.

#### 4. Course Objectives

(The number in brackets at the end of each objective refers to the learning outcome from section 3.)

		<i>Learning Outcome Reference Number</i>
<b>CH 1</b>	<i>Following the completion of this chapter, the student will be able to:</i>	
1.1	Describe the essential characteristics of accounting.	1
1.2	Explain how accounting makes it possible to use scarce resources more efficiently.	1
1.3	Explain the meaning of “stakeholder” and identify key stakeholders in financial reporting including what is at stake for each one.	1
1.4	Identify the objective of financial reporting.	1
1.5	Explain information asymmetry and the notion of management bias in financial reporting.	1
1.6	Understand the importance of user needs in the financial reporting process.	1
1.7	Explain the need for accounting standards.	1
1.8	Identify the major entities that influence the standard-setting process and explain how they influence financial reporting.	1
1.9	Explain the meaning of generally accepted accounting principles (GAAP).	1
1.10	Explain the significance of professional judgement in applying GAAP.	1
1.11	Understand issues related to ethics and financial accounting.	1
1.12	Identify some of the challenges and opportunities for accounting.	1
<b>CH 2</b>	<i>Following the completion of this chapter, the student will be able to:</i>	
2.1	Describe the usefulness of a conceptual framework.	2
2.2	Describe the main components of a conceptual framework for financial reporting.	2

2.3	Identify the qualitative characteristics of accounting information.	2
2.4	Define the basic elements of financial statements.	2
2.5	Describe the foundational principles of accounting.	2
2.6	Explain the factors that contribute to choice and/or bias in financial reporting decisions.	2
2.7	Discuss current trends in standard setting for the conceptual framework.	2
2.8	Understand how fair value is measured.	2
<b>CH 3</b>	<i>Following the completion of this chapter, the student will be able to:</i>	
3.1	Understand basic accounting terminology.	2,3
3.2	Explain double-entry rules.	2,3
3.3	Identify the steps in the accounting and recording cycle.	2,3
3.4	Record transactions in journals, post journal entries to ledger accounts, and prepare a trial balance.	2,3
3.5	Explain the reasons for and prepare adjusting entries.	2,3
3.6	Explain how the type of ownership structure affects the financial statements.	2,3
3.7	Prepare closing and reversing entries.	2,3
<b>CH 4</b>	<i>Following the completion of this chapter, the student will be able to:</i>	
4.1	Understand how firms create value and manage performance.	3
4.2	Understand how users use information about performance to make decisions.	3
4.3	Understand the concept of and be able to assess quality of earnings/information.	3
4.4	Understand the differing perspectives on how to measure income.	3
4.5	Measure and report results of discontinued operations.	3
4.6	Measure income and prepare the income statement and the statement of comprehensive income using various formats.	3
4.7	Prepare the statement of retained earnings and the statement of changes in equity.	3

4.8	Understand how disclosures and analysis help users of financial statements assess performance.	3
4.9	Identify differences in accounting between IFRS and ASPE and potential changes.	3
<b>CH 5</b>	<i>Following the completion of this chapter, the student will be able to:</i>	
5.1	Identify the uses and limitations of a statement of financial position.	3
5.2	Identify the major classifications of a statement of financial position.	3
5.3	Prepare a classified statement of financial position.	3
5.4	Identify statement of financial position information that requires supplemental disclosure.	3
5.5	Identify major disclosure techniques for the statement of financial position.	3
5.6	Indicate the purpose of the statement of cash flows.	3
5.7	Identify the content of the statement of cash flows.	3
5.8	Understand the usefulness of the statement of cash flows.	3
5.9	Identify differences in accounting between ASPE and IFRS.	3
<b>CH 6</b>	<i>Following the completion of this chapter, the student will be able to:</i>	
6.1	Understand the economics and legalities of selling transactions from a business perspective.	4
6.2	Analyze and determine whether a company has earned revenues.	4
6.3	Discuss issues relating to measurement and measurement uncertainty.	4
6.4	Understand how to account for sales where there is collection uncertainty.	4
6.5	Prepare journal entries for consignment sales and long-term contracts.	4
6.6	Understand how to present sales transactions in the income statement and prepare basic disclosures.	4
6.7	Discuss current trends in standard setting for revenue recognition including the contract-based approach.	4
6.8	Identify differences in accounting between ASPE and IFRS.	4

<b>CH 7</b>	<i>Following the completion of this chapter, the student will be able to:</i>	
7.1	Define financial assets, and identify items that are considered cash and cash equivalents and how they are reported.	5
7.2	Define receivables and identify the different types of receivables.	5
7.3	Account for and explain the accounting issues related to the recognition and measurement of accounts receivable.	5
7.4	Account for and explain the accounting issues related to the impairment in value of accounts receivable.	5
7.5	Account for and explain the accounting issues related to the recognition and measurement of short-term notes and loans receivable.	5
7.6	Account for and explain the accounting issues related to the recognition and measurement of long-term notes and loans receivable.	5
7.7	Account for and explain the basic accounting issues related to the derecognition of receivables.	5
7.8	Explain how receivables and loans are reported.	5
7.9	Identify differences in accounting between accounting standards for ASPE and IFRS, and what changes are expected in the near future.	5
<b>CH 8</b>	<i>Following the completion of this chapter, the student will be able to:</i>	
8.1	Define inventory and identify inventory categories.	6
8.2	Identify the inventory items that should be included in ending inventory.	6
8.3	Identify the effects of inventory errors on the financial statements and adjust for them.	6
8.4	Determine the components of inventory cost.	6
8.5	Distinguish between perpetual and periodic inventory systems and account for them.	6
8.6	Identify GAAP cost formula options and indicate when each cost formula is appropriate.	6

8.7	Explain why inventory is measured at the lower of cost and market, and apply the lower of cost and net realizable value standard.	6
8.8	Identify inventories that are or may be valued at amounts other than the lower of cost and net realizable value.	6
8.9	Identify the type of inventory disclosures required by ASPE and IFRS.	6
8.10	Identify differences in accounting between ASPE and IFRS, and what changes are expected in the near future.	6
<b>CH 9</b>	<i>Following the completion of this chapter, the student will be able to:</i>	
9.1	Explain and apply the cost/amortized cost model of accounting for investments in debt and equity instruments.	7
9.2	Explain and apply the fair value through net income model of accounting for investments in debt and equity instruments.	7
9.3	Explain and apply the fair value through other comprehensive income model of accounting for investments.	7
9.4	Explain and apply the incurred loss, expected loss, and fair value loss impairment models.	7
9.5	Explain the concept of significant influence and apply the equity method.	7
9.6	Explain the concept of control, the basics of consolidated financial statements, and why consolidation is appropriate.	7
9.7	Explain the objectives of disclosure, and identify the major types of information that are required to be reported for investments in other companies' debt and equity instruments.	7
9.8	Identify differences in accounting between IFRS and ASPE, and what changes are expected in the near future.	
<b>CH 10</b>	<i>Following the completion of this chapter, the student will be able to:</i>	
10.1	Identify the characteristics of property, plant, and equipment assets, and explain the importance of these long-term assets to a business enterprise.	8
10.2	Identify the recognition criteria and costs to include in the measurement of property, plant, and equipment assets.	8

10.3	Determine asset cost when the transaction has delayed payment terms or is a lump-sum purchase, a non-monetary exchange, or a contributed asset.	8
10.4	Identify the costs included in specific types of property, plant and equipment.	8
10.5	Understand and apply the cost model.	8
10.6	Understand and apply the revaluation model.	8
10.7	Understand and apply the fair value model.	8
10.8	Explain and apply the accounting treatment for costs incurred after acquisition.	8
10.9	Identify differences in accounting between ASPE and IFRS, and what changes are expected in the near future.	8
<b>CH 11</b>	<i>Following the completion of this chapter, the student will be able to:</i>	
11.1	Explain the concept of depreciation.	8
11.2	Identify and explain the factors to consider when determining depreciation charges.	8
11.3	Identify how depreciation methods are selected.	8
11.4	Calculate depreciation using the straight-line, decreasing charge, and activity methods and recognize the effects of using each.	8
11.5	Explain the accounting issues for depletion of mineral resources.	8
11.6	Explain and apply the accounting procedures for partial periods and a change in depreciation rate.	8
11.7	Explain the issues and apply the accounting standards for capital asset impairments.	8
11.8	Explain and apply the accounting standards for long-lived assets that are held for sale.	8
11.9	Account for the derecognition of property, plant, and equipment.	8
11.10	Describe the types of disclosures required for property, plant, and equipment.	8
11.11	Identify differences in accounting between ASPE and IFRS, and what changes are expected in the near future.	8



## CH 12

*Following the completion of this chapter, the student will be able to:*

- |      |  |   |
|------|--|---|
| 12.1 | Define and describe the characteristics of intangible assets.  | 8 |
| 12.2 | Identify and apply the recognition and measurement requirements for purchased intangible assets.                                   | 8 |
| 12.3 | Identify and apply the recognition and measurement requirements for internally developed intangible assets.                        | 8 |
| 12.4 | Explain how intangible assets are accounted for after initial recognition.   | 8 |
| 12.5 | Identify and explain the accounting for specific types of intangible assets.   | 8 |
| 12.6 | Explain and account for impairments of limited-life and indefinite-life intangible assets.   | 8 |
| 12.7 | Explain the concept of goodwill and how it is measured and accounted for after acquisition.  | 8 |
| 12.8 | Identify the types of disclosure requirements for intangible assets and goodwill and explain the issues in analyzing these assets. | 8 |
| 12.9 | Identify differences in accounting between ASPE and IFRS.  | 8 |

## 5. Resources and Supplies

### a. Required

#### Textbook:

Keiso, Weygandt, Warfield, Young, Wiecek, McConomy: Intermediate Accounting, Tenth Canadian Edition, Volume I, John Wiley & Sons Canada, Ltd., 2013.

#### Other:

WileyPLUS on-line suite of resources.

Print credits and calculator (with exponential & reciprocal key)

### b. Supplemental

None

## 6. Methodology

This course will consist of lectures, assignments and computer labs designed to create an understanding of accounting principles and procedures. A strong emphasis is placed on problem solving using a variety of text and computer exercises and problems.

## 7. Student Evaluation

A grade of D is the passing grade for this course. Some programs, however, may require a higher grade in order to progress through and graduate from the program. Students should check the program requirements for their particular program.

The following elements will determine the student's final grade:

Test 1	15%
Test 2	15%
Test 3	15%
Final Examination (Comprehensive)	30%
WileyPLUS Assignments	20%
Web Assignments	5%
<b>Total</b>	<b>100%</b>

The final grade on this course will be based on the weighted average as shown above or the grade achieved on the Final Examination, **whichever is higher**.

Tests: All tests and examinations will be written on the scheduled day at the arranged time. If, for extenuating circumstances (which in most cases will only be for documented medical related absences), you will be unable to write, you must contact the professor PRIOR to the test for consideration of alternate arrangements. In most cases, the make-up test will be written during exam week. If you cannot reach the professor, you must leave a message with the program secretary at ext. #2433. During testing time, NO electronic devices of any sort will be permitted unless previously discussed and/or approved by the professor.

Assignments: Assignments must be submitted by the specified due date. Assignments must consist of the student's own work. There will be NO additional and/or make-up assignments granted at any point during the course.

The round off mathematical principle will be used. Percentages are converted to letter grades and grade points as follows:

Mark (%)	Grade	Grade Point	Mark	Grade	Grade Point
94-100	A+	4.0	67-69	C+	2.3
87-93	A	3.7	63-66	C	2.0
80-86	A-	3.5	60-62	C-	1.7
77-79	B+	3.2	50-59	D	1.0
73-76	B	3.0	0-49	F	0.0
70-72	B-	2.7			

## 8. Related Items

### ***Students with Disabilities***

If you are a student with a disability please identify your needs to the professor and/or the Accessibility Centre so that support services can be arranged for you.

You can do this by making an appointment at the SSD, Room L103 ext.3427 or by arranging a personal interview with the professor to discuss your needs.

***Student Rights and Responsibility Policy***

*Acceptable behaviour in class is established by the instructor and is expected by all students. Any form of harassment or violence will not be tolerated. Action will be taken as outlined in Lambton College policy.*

*Cheating and plagiarism are serious academic offences subject to disciplinary action. It is the student's responsibility to be aware of the cheating policy as described in the Lambton College Student Rights and Responsibilities policy. For further information on all of these policies, links may be found on the Lambton College website.*

***Prior Learning Assessment Statement***

*This course is eligible for Prior Learning Assessment*

☒ **Yes**      ☐ **No**

*If yes has been selected, you may choose to contact the Counselling Department for advice on Prior Learning Assessment.*

***Date of Withdrawal without Academic Penalty***

*Please consult the Academic Regulations and Registrar's published dates.*

***Waiver of Responsibility***

*Every attempt has been made to ensure the accuracy of this information as of the date of publication. The content may be modified, without notice, as deemed appropriate by the College.*

*Note: It is the student's responsibility to retain course outlines for possible future use to support applications for transfer of credit to other educational institutions.*