The College of New Jersey  
School of Business  
ACC 301: Intermediate Financial Accounting I (1 course unit)  
Syllabus (Fall 2010)

Instructor:  Dr. A. Shahid  
E-mail: Shahid@tcnj.edu  
Office: Business Building 234  
Office Hours: As posted and by appointment  

Texts:  

Study Guide: Optional but helpful  

Websites:  
www.wiley.com/college/kieso  
www.fasb.org  
www.asc.fasb.org

Access to Accounting Standards Codification:  
Username - AAA52104  
Password- S6ka9ob

Course Description:

This course examines the current topics in corporate financial reporting. It focuses on current assets, property, plant and equipment, intangible assets, liabilities, and stockholders’ equity. Students evaluate and learn how to apply generally accepted accounting principles to record transactions, and to prepare financial statements. Original pronouncements issued by the Accounting Principles Board and the Financial Accounting Standards Board are integrated with materials and assigned cases.

Course purpose and learning goals

This course is an in-depth reexamination of topics related to corporate financial reporting covered in introductory financial accounting courses, Financial Accounting and Reporting (ACC 201), and Fundamental of Accounting (ACC 211). The basic purposes of the course are to (1) learn the current principles and practices of financial accounting, (2) examine the theories underlying the principles of financial reporting, (3) apply the generally accepted accounting principles in recording transactions and in preparing financial statements, and (4) critically evaluate the current financial accounting standards. This course focuses not only on the mechanics of accounting but also on the accounting theories related to financial reporting. This emphasis on accounting theory will enhance critical thinking skills of the students.
**Course Prerequisite:** Prerequisites: ACC 211 with a minimum grade of “C” and STA 215

**LEARNING ACTIVITIES**

Students will be involved in a variety of activities that will reinforce their learning. Learning activities will be consistent with and supportive of achieving the learning goals for the course. They will be required to study the chapters/topics in depth prior to each class meeting. All assigned problems should be solved by the student independently. Solutions to the selected problems are available in the SOCS and students should use these to assist themselves in their study and mastery of the problems. Other problems from the text will be analyzed and solved by the instructor and students together during the class period. The purpose of this is to develop students’ ability to analyze and solve problems effectively. There is no sufficient class time to review assigned problems on a regular basis. Students who have difficulty in solving assigned problems or in understanding in solutions should seek the assistance of the accounting tutor and instructor early.

In addition, students will write-up the analysis of the cases and will present the analysis in the class. The FASB Accounting Standards Codification, Statements of Financial Accounting Concepts, and Statements of Financial Accounting Standards will be helpful in analyzing the cases. The instructor will give written comments on the case analysis of each student.

**SPECIFIC TOPICS AND LEARNING GOALS**

**Content and Performance:**

This course focuses on the understanding, application, and evaluation of current financial reporting topics. The course emphasizes on six core topics: (1) current assets, (2) property, plant, and equipment, (3) intangible assets, (4) current liabilities and contingencies, (5) long-term liabilities, and (6) stockholders’ equity. The organization of the course and the learning goals are arranged around the six core topics.

**CURRENT ASSETS**

Current assets are cash and other assets expected to be converted into cash, sold, or consumed either in one year or in the operating cycle, whichever is longer. The specific items and related tasks include:

**Cash**
- Identify common techniques employed to control cash
- Prepare bank reconciliation
- Record the Journal entries required to correct the Cash account

**Accounts and Notes Receivables**
- Identify the different types of receivables
- Understand accounting issues related to recognition, valuation, and disposition of accounts receivable and notes receivable
• Explain how receivables are reported and analyzed

Inventories
• Differentiate between perpetual and periodic inventory systems
• Illustrate the effects of inventory errors on the financial statements
• Compare the flow assumptions used in accounting for inventories
• List the major advantages and disadvantages of LIFO
• Illustrate the reasons why a given inventory method is selected
• Estimate ending inventory by applying the gross profit method
• Estimate ending inventory by applying the retail inventory method
• Explain how inventory is reported and analyzed

PROPERTY, PLANT, and EQUIPMENT

Property, Plant, and Equipment are properties of a durable nature used in the operations of the business. The specific tasks include:
• Identify the costs included in the initial valuation of land, buildings, and equipment
• Describe the accounting problems associated with self-constructed assets
• Compute the amount of interest to be capitalized associated with self-constructed assets
• Describe the accounting treatment for the disposal of property, plant, and equipment
• Compare activity, straight-line, and decreasing-charge methods of depreciation
• Describe special depreciation methods and calculate the depreciation amount
• Explain the accounting issues related to asset impairment
• Explain the accounting procedures for depletion of natural resources

INTANGIBLE ASSETS

Intangible assets do not have physical substance. They include copyrights, patents, franchises, goodwill, trademarks, and secret manufacturing processes. The specific tasks include:
• List the characteristics of intangible assets and identify the cost included in the initial valuation of intangible assets
• Differentiate among various types of intangible assets
• Explain the procedure for amortizing intangible assets
• Describe the conceptual issues related to goodwill
• Explain the accounting issues related to intangible asset impairments
• Identify the conceptual issues related to research and development costs
• Describe the accounting procedures for research and development costs and for other similar costs

CURRENT LIABILITIES AND CONTIGENCIES
Current liabilities are the obligations that are expected to be liquidated either through the use of current assets or the creation of other current liabilities. Contingencies are situations involving uncertainty as to possible loss or gain. The specific tasks include the followings:

- Explain the nature, type, and valuation of current liabilities
- Describe different types of employee-related liabilities
- Evaluate the criteria used to account for and disclose gain and loss contingencies
- Explain the accounting for different types of loss contingencies
- Indicate how current liabilities and contingencies are presented and analyzed

**LONG-TERM LIABILITIES**

Long-term liabilities are obligations that not expected to be liquidated within the normal operating cycle but are payable at some time beyond that time. Bonds payable and notes payable are the common types. The specific tasks include:

- Evaluate various types of bond issues and describe the accounting valuation for bonds at date of issuance
- Calculate bond discount and premium amortization applying various methods
- Explain the accounting procedures for the early extinguishment of debt
- Describe the different methods for troubled debt restructuring
- Calculate the gain and loss on debt restructuring
- Indicate how long-term debt is presented and analyzed

**STOCKHOLDERS’ EQUITY**

Stockholder’s equity consists of (1) contributed capital, and (2) retained earnings. The specific tasks include:

- Describe the key components of stockholders’ equity
- Explain the accounting procedures for issuing shares of stock
- Describe the accounting for treasury stock
- Explain the accounting for and reporting of preferred stock
- Describe the policies used in distributing dividend
- Differentiate among the various forms of dividend distributions
- Explain the accounting for small and large stock dividends, and for stock splits
- Indicate how stockholders’ equity is presented and analyze

**STUDENT ASSESSMENT**

Students will be assessed on their knowledge and understanding of learning goals outlined. The assessment will be in the form of exams, case study, spreadsheet assignments, and class participation.
Exams
Students will take two midterm exams and a final exam. Exams will be comprised of multiple choice questions and computational problems. Multiple choice questions will assess students’ understanding of basic concepts and theories while computational problems will test students’ knowledge of solving complex problems.

Grading on the Exams:

A = A grade of “A” (excellent performance) indicates that the student has demonstrated superior mastery in the concepts, theories, and computational problems.

B = A grade of “B” (above average performance) indicates that the student has demonstrated mastery in most of the concepts, theories, and computational problems.

C = A grade of “C” (average performance) shows that the student understands some of the course related concepts, theories, and computational problems.

D = A grade of “D” (below average) indicates that the student has demonstrated significant deficiencies in understanding the basic concepts, theories, and computational problems.

F= A grade of “F” indicates a failing performance.

Feedback:
Explaining and clarifying the answers to the questions in the first two exams in class.
Providing opportunities to address student’s concerns.

Case Analyses
Student will analyze several cases: one for each of the major topics. Case analysis promotes critical thinking, understanding of theory underlying the issues, and the ability to do research. Students use the Financial Accounting Research System for analysis of cases. Students will be asked to present the cases at random on the last day the major topic is discussed.

The criteria for evaluation of the case analyses are:

(1) Ability to identify the underlying problem/issue
(2) The thoroughness with which the students discuss the relevant theories, accounting concepts, and accounting standards in an appropriate manner to reach logical, well-supported, and compelling conclusions
(3) Providing proper citations of accounting concepts and accounting standards
(4) Avoiding generalities and superficial statements
(5) Having good grammar and punctuation

Generally, students will analyze cases for the following topics:
Cases: | Topics
--- | ---
Case no. 1: | Receivables
Case no. 2: | Inventories
Case no. 3: | Inventories
Case no. 4: | Property, Plant, and Equipment.
Case no. 5: | Depreciation, Impairment, and Depletion.
Case no. 6: | Intangible Assets
Case no. 7: | Current Liabilities
Case no. 8: | Long-term Liabilities
Case no. 9: | Stockholders’ Equity

The write-ups for a case should not exceed three double-spaced pages.

Feedback:
In addition to the discussion in the class, the graded cases will be returned to students with written comments by the instructor.

Spreadsheet Assignments
Students will use spreadsheet package for developing templates for at least two topics covered in the course. This assignment will be evaluated on the appropriate use of formula, proper organization, and presentation. **Print-out of Cell formula must be turned in.**

GRADING:
Final grades will be determined as follows:
- Exam 1 (Sept. 27) 23%
- Exam 2 (Oct. 25) 23%
- Final Exam (Comprehensive) 34%
- Spreadsheet Assignments 5%
- Case Analysis 15%

**There is no extra-credit for this course.**

MAKE-UP TEST: Make-up test is only given in an extraordinary situation. Prior approval of the instructor is required. Students are expected to provide acceptable documentation to substantiate the reasons for missing the exam.

The final letter grade will be assigned based on the following scale:

- A 93-100%
- A- 90-92%
- B+ 87-89%
ENROLLMENT INTO HIGHER LEVEL ACCOUNTING COURSES:
A grade of D or better is required in this course.

Attendance and class participation:
Every student is expected to participate in this course through regular attendance at lecture. It is further expected that every student will be present, on time, and prepared to participate when scheduled class sessions begin. Attendance and participation are required for successful completion of the course. Students’ contribution to the class by their solutions, comments, and questions is integral part of the course. Class participation will be used for borderline grades.
TCNJ’s attendance policy is available on the web: http://www.tcnj.edu/~recreg/policies/attendance.html

Academic Integrity Policy
Academic dishonesty is any attempt by the student to gain academic advantage through dishonest means, to submit, as his or her own, work which has not been done by him/her or to give improper aid to another student in the completion of an assignment. Such dishonesty would include, but is not limited to: submitting as his/her own a project, paper, report, test, or speech copied from, partially copied, or paraphrased from the work of another (whether the source is printed, under copyright, or in manuscript form). Credit must be given for words quoted or paraphrased. The rules apply to any academic dishonesty, whether the work is graded or ungraded, group or individual, written or oral.

TCNJ’s academic integrity policy is available on the web: http://www.tcnj.edu/~academic/policy/integrity.html.

Americans with Disabilities Act (ADA) Policy
Any student who has a documented disability and is in need of academic accommodations should notify the professor of this course and contact the Office of Differing Abilities Services (609-771-2571). Accommodations are individualized and in accordance with Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1992.

TCNJ’s Americans with Disabilities Act (ADA) policy is available on the web: http://www.tcnj.edu/~affirm/ada.html.
SCHEDULE OF TOPICS AND ASSIGNMENT

Discuss the major features of Accounting Standards Codification (ASC), including its structures and styles. Also, explain rationales for ASC. Due date: Sept. 09.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Assignments</th>
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<tbody>
<tr>
<td>Cash and Receivables</td>
<td>Case: CA7-4</td>
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<tr>
<td></td>
<td>E7-22, E7-23*, E7-24, P7-12*, P7-13, P7-14*, P7-3*, P7-4, E7-11*, P7-7, E7-16, E7-17.</td>
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<td></td>
<td>IFRS: Read Unit 1 and 6:</td>
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<td></td>
<td>Available on SOCS</td>
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<td></td>
<td>E8-12, E8-5*, E8-11*, P8-1*, P8-2, P8-4*, P8-5, E8-25, E8-26, P8-11*, E8-21*</td>
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<td></td>
<td>IFRS: Unit 7</td>
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<tr>
<td>Inventories: Additional Valuation Issues</td>
<td>Case: CA9-2</td>
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<td>IFRS: Unit 7</td>
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<td>Property, Plant, and Equipment</td>
<td>Case: Professional Research: FASB Codification, p 536</td>
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<td>IFRS: Unit 9</td>
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<td>Depreciation</td>
<td>Case: CA 11-5</td>
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<td>IFRS: Unit 10</td>
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<td>Intangibles Assets</td>
<td>: Discuss the differences between IFRS and U.S. GAAP with regard to accounting for Intangibles. Make sure include the authoritative literatures in your explanations.</td>
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Current Liabilities
Case: CA13-5

Long-term Liabilities
Case: CA14-3

Stockholders’ Equity
Case: TBA

* Problems are to be worked out by the student independently and solutions are available on SOCS.

IFRS: Unit 11

IFRS: Unit 12

IFRS: Unit 13

IFRS: Unit 14