

# ACCT A213: INTERMEDIATE ACCOUNTING 2

Item	Value
Curriculum Committee Approval Date	09/23/2020
Top Code	050200 - Accounting
Units	3 Total Units
Hours	54 Total Hours (Lecture Hours 54)
Total Outside of Class Hours	0
Course Credit Status	Credit: Degree Applicable (D)
Material Fee	No
Basic Skills	Not Basic Skills (N)
Repeatable	No
Open Entry/Open Exit	No
Grading Policy	Standard Letter (S)

## Course Description

A continuation of the intensive study and application of GAAP and IAS begun in ACCT A212. The emphasis in this course is on the valuation and presentation of long-term liabilities, stockholders equity, revenue recognition, revenue and related income statement accounts, income taxes, leases, footnote disclosures required by GAAP and IAS, and other special/current accounting topics. Suitable for CPA Exam preparation. ADVISORY: ACCT A101 or ACCT A101H or ACCT A212. Transfer Credit: CSU.

## Course Level Student Learning Outcome(s)

1. Define and explain financial reporting standards and GAAP.
2. Apply the guidelines for revenue recognition to various business situations.
3. Prepare financial statements and explain their individual components.
4. Analyze financial statements using ratios and other analytical tools.

## Course Objectives

- 1. Define financial reporting standards under GAAP and IAS (international accounting standards)
- 2. Explain concepts and assumptions used in accounting.
- 3. Define current and long term liabilities; explain complexities of contingencies.
- 4. Define the components of stockholder's equity and the earnings per share ratio, dilutive securities.
- 5. Apply principles of revenue recognition as outlined by GAAP and IAS.
- 6. Explain the three categories of investments and how they are expressed within the financial statements.
- 7. Demonstrate understanding of the complexities of accounting for income taxes.
- 8. Prepare and analyze post-retirement benefits and healthcare benefits.
- 9. Define and apply lease accounting principles.
- 10. Prepare corrected financial statements and demonstrate understanding of accounting changes.

## Lecture Content

COURSE CONTENT AND SCOPE/TOPIC OUTLINE: Course will cover the following REQUIRED topics: Current Liabilities and Contingencies Long Term Liabilities Stockholder s Equity Dilutive Securities and Earnings Per Share Investments Revenue Recognition Accounting for Income Taxes Accounting for Pensions and Postretirement Benefits Accounting for Leases Accounting for Changes and Error Analysis Statement of Cash Flows Full Disclosure in Financial Reporting Course will also cover: International accounting standards, the probable convergence of US GAAP with those standards by 2014, and concentration on the interpretation and application of the new standards. Topic outlines for REQUIRED material: Current Liabilities and Contingencies: What are current Liabilities? Presentation and Analysis of Current Liabilities Contingency Types Loss and Gain Contingencies Presentation of Contingencies Analysis of Current Liabilities Current Ratio, Quick Ratio Long Term Liabilities: Bonds Payable Types and Ratings of Bonds Valuation of Bonds Payable Discount and Premium Effective Interest Method Cost of Issuing Bonds Extinguishment of Debt Notes Payable Issues Off Balance Sheet Financing Troubled Debt Restructuring Settlement of Debt and Modification of Terms Stockholder s Equity: The Corporate Form of Organization Corporate Capital Preferred Stock Dividend Policy Presentation and Analysis of Stockholder s Equity Dividend Preferences Dilutive Securities and Earnings Per Share: Dilutive Securities and Compensation Plans Accounting for Convertible Debt Convertible Preferred Stock Stock Warrants Earnings Per Share Simple Capital Structure Earnings Per Share Complex Capital Structure Diluted Earnings Per Share Investments: Investments in Debt Securities Held to Maturity Securities Available for Sale Securities Holdings of Less than 20%, 20-50%, greater than 50% Fair Value Reporting Accounting for Derivative Instruments Hedging Issues Revenue Recognition: Revenue Recognition at Point of Sale Revenue Recognition Before Delivery Revenue Recognition After Delivery Consignments Accounting for Income Taxes: Fundamentals of Accounting for Income Taxes Net Operating Losses Financial Statement Presentation Intraperiod, Interperiod Tax Allocation Accounting for Pensions and Post-Retirement Benefits: Nature of Pension Plans Accounting for Pensions Liability Reporting Pension Plans in Financial Statements Differences between pension benefits and healthcare benefits Actuarial Assumptions and Conceptual Issues Accounting for Leases: Accounting by the Lessee Accounting by the Lessor Special Accounting problems with leases Unresolved Lease problems nb sp; Accounting Changes and Error Analysis: Changes in Accounting Principle Changes in Accounting Estimate Change in Reporting Entity Error Correction Motivations for Accounting Method Change Equity Method Changes Statement of Cash Flows: Format of the Statement of Cash Flows Sources of Information for the Statement of Cash Flows Net Cash Flow from Operations Indirect Method of Preparation versus the Direct Method Transaction Analysis Full Disclosure in Financial Reporting: Full Disclosure Principle Notes to the Financial Statements Disclosure Issues Auditor s and Management s Report Reporting on Financial Forecasts

## Method(s) of Instruction

- Lecture (02)
- DE Live Online Lecture (02S)
- DE Online Lecture (02X)

## Instructional Techniques

Lecture, discussion, demonstration, and problem solving techniques using publisher and instructor prepared power points and whiteboard.

Interaction during class will take place between instructor and students using group participation. Homework problems will be assigned on an individual basis and demonstrated in class. Research on the internet required for emerging issues in accounting, more specifically international accounting standards applications.

### **Reading Assignments**

The course requires approximately 44 hours of assigned readings from the text.

### **Writing Assignments**

Students will be required to submit research paper in addition to oral presentation of current accounting issues and/or international accounting standard issues related to course topics.

### **Out-of-class Assignments**

The course requires approximately 64 hours of Assigned readings, exercises and problems from the text, in addition to the "Reading Assignments".

### **Demonstration of Critical Thinking**

Three unit examinations and a comprehensive final on course content testing recall, comprehension, analysis, and problem solving skills. Homework problems assigned using online homework manager. Written and oral assignment comparing and contrasting GAAP versus IAS within real businesses.

### **Required Writing, Problem Solving, Skills Demonstration**

Students will be required to submit research paper in addition to oral presentation of current accounting issues and/or international accounting standard issues related to course topics.

### **Eligible Disciplines**

Accounting: Master's degree in accountancy or business administration with accounting concentration OR bachelor's degree in business with accounting emphasis or business administration with accounting emphasis or economics with an accounting emphasis AND master's degree in business, business administration, business education, economics, taxation, or finance OR the equivalent. Master's degree required. (NOTE: A bachelor's degree in accountancy or business administration with accounting concentration, with a CPA license is an alternative qualification for this discipline)

### **Textbooks Resources**

1. Required Kieso, Donald E., Jerry J. Weygandt and Terry Warfield. Intermediate Accounting, 17th ed. John Wiley Sons, 2019