

KING'S COLLEGE
William G. McGowan School of Business
Department of Accounting & Finance
ACCT 270 – Intermediate Accounting II
Course Syllabus for Sections A & B

Catalog Description:

Intermediate Accounting II is a thorough study of the balance sheet components, such as cash, receivables, inventories, operational assets, and liabilities, and stockholder's equity. In addition, concepts fundamental to accounting are analyzed, with special attention given to revenue recognition.

Prerequisites: ACCT 260.

Course Objectives:

This course continues to delineate the concepts and terminology of accounting and financial reporting for modern business enterprises. The course will help student to:

- Gain knowledge and skills used in performing financial accounting.

Assessment Criteria:

1. The student prepares journal entries to record the purchase and sale of tangible assets.
2. The student computes and records depreciation and depletion expense for tangible assets.
3. The student identifies those costs to be included in the acquisition cost of different types of noncurrent operating assets.
4. The student identifies various classification and measurement issues associated with debt.
5. The student applies systematic financial ratio analysis using common-size financial statements and the DuPont framework.
6. Identify the rights associated with ownership of common and preferred stock.
7. As part of a team, the student analyzes information contained in financial statements.

- Improve their technological competency as it applies to accounting processes.

Assessment Criteria:

1. The student uses spreadsheet and word processing software to complete accounting assignments.
2. The student uses presentation software to discuss financial information.
3. The student accesses information from the course's Moodle site.

- Develop analytical skills, logical thinking abilities and written communication skills.

Assessment Criteria:

1. The student accurately paraphrases and quotes relevant material.
2. The student coherently combines ideas from sources with his or her own.
3. The student uses technical vocabulary accurately.
4. The student uses appropriate and adequate evidence.
5. The student expresses conclusions clearly.
6. The student correctly uses appropriate accounting vocabulary.

- Improve their information literacy competency as it applies to accounting processes.

Assessment Criteria:

1. The student researches a contemporary financial accounting issue.
 2. The student arranges research information into a useful organization.
 3. The student analyzes the purpose and content of Internet sites.
- Develop interpersonal skills, including the ability work effectively with others.

Assessment Criteria:

1. The student participates in class discussion.
 2. The student cooperates with group members to complete assignments in class.
- Progress toward the successful completion of various professional examinations.

Assessment Criteria:

1. The student applies revenue recognition principles to long-term service and construction contracts.
2. The student uses straight-line, accelerated, use-factor, and group depreciation methods to compute annual depreciation expense.
3. The student accounts for self-constructed assets.
4. Properly record cash dividends, property dividends, small and large stock dividends, and stock splits.
5. The student accounts for debt and equity financing transactions.
6. The student uses both the cost and par value methods to account for stock repurchases.
7. The student uses proper methods for accounting and valuating long-term liabilities.

Course Topics and Coverage

1. Cost of Goods Sold and Inventory
 - Record inventory transactions under both periodic and perpetual inventory systems.
 - Valuing inventory using both periodic and perpetual inventory systems using the four basic inventory valuation methods: specific identification, average cost, FIFO, and LIFO.
 - The application of the lower-of-cost or market (LCM) rule to inventory valuation.
 - Use the gross profit method to estimate ending inventory.
 - Inventory purchase transactions dominated in foreign currencies
2. Debt Financing
 - Present value concepts to the accounting for long-term debts
 - Issuance, interest payments, and redemption of debenture bonds
 - Off-balance-sheet financing
3. Equity Financing
 - Issuance of common and preferred stock for cash, on a subscription basis, and in exchange for noncash assets or for services.
 - Accounting for treasury stock using the cost and par value methods.
 - Issuance of stock rights and stock warrants.
 - Computations and journal entries for cash dividends, property dividends, small and large stock dividends, and stock splits.
 - Statement of changes in stockholders' equity

4. Investments in Noncurrent Operating Assets
 - Noncurrent operating asset acquisitions using various special arrangements, including deferred payment, self-construction, and as part of a basket purchase
 - Straight-line, accelerated, use-factor, and group depreciation methods to compute annual depreciation expense
 - Productive-output method to the depletion of natural resources
 - Asset impairment loss
 - Disposal of depreciable assets for cash and in exchanges
5. Analysis of Financial Statements
 - Financial ratio analysis using common-size financial statements and the DuPont framework
 - The purpose and format of the SEC's Form 20-F
 - Foreign company reporting of their financial reports to U.S. investors

William G. McGowan School of Business Mission Statement:

The King's College McGowan School of Business seeks to develop in its students the professional knowledge and skills needed to function successfully in the global economy and a commitment to exercising their professional responsibilities in an ethical and socially responsible manner. To achieve these goals, the School of Business provides a student centered learning environment designed to stimulate intellectual development, encourage critical and ethical thinking, and develop professional competencies that are current with today's business environment. Through a broad based liberal education in the Catholic tradition, graduates make ethical and humanistic contributions to the dynamic, global marketplace, based on a lifetime of learning and personal growth.

ACCT 270 represents the second semester of a three-semester sequence in Intermediate Accounting. The course is the second component (three credits) of the "major sequence" for declared Accounting majors and minors at King's College. A student will have opportunities to develop intellectually and morally through problem and case-based activities. These experiences will enhance students' critical thinking abilities by adapting facts and concepts to new situations, and to develop logical and understandable solutions to problems. In furtherance of the guiding principles of the Core Curriculum of the William G McGowan School of Business, a student completing this course will be able to:

- Describe transactions accurately and effectively.
- Understand and use accounting principles.
- Develop a broad vocabulary and sensitivity to technical language.
- Use conventions of Standard English in spelling, grammar and usage.
- Develop a respect for ideas supported by evidence and logical argumentation.
- Develop ideas and write clear forceful prose for a variety of purposes and audiences.

King's College
ACCT 270: Intermediate Accounting II
Course Outline for Spring 2009

General Course Information:

Professor: Dr. Marian Boscia, CPA

Office Hours: Monday 3:15 – 4:30 pm
 Tuesday By appointment only
 Wednesday 3:15 – 4:30 pm
 Thursday 2:00 – 3:00 pm
 Friday 10:00 – 10:50 am

Should you need to be in touch or wish to schedule a time to meet with me, the best way is to send me an e-mail to the address listed below.

Office Location: McGowan School of Business, Room 114

Office Telephone: 570-208-5900, Ext. 5780

E-mail Address: marianboscia@kings.edu

Class Schedule: Monday / Wednesday / Friday 10:00 am – 10:50 am
 Monday / Wednesday / Friday 1:00 pm - 1:50 pm
 Thursday Evening 6:00 pm - 8:30 pm

Required Texts: **Intermediate Accounting, 16e**, Skousen, Stice & Stice (South-Western College Publishing, 2007, ISBN-10: 0324312148)

Required supplies: Calculator

Optional Texts: Gleim, Irvin N. and Collins, William A. **Financial Accounting Exam Questions and Explanations, 13th Ed**, (Gleim Publications ISBN: 978-1-58194-575-1), available online at: <http://www.gleim.com/products/productdetails.php?proID=6176>.

Course Web Sites: <http://boscia.com> and [Moodle](#)

Course Procedures

Say first, of God above or man below,
 what can we reason but from what we know?

Essay on Man. Epistle i Line 17. Alexander Pope. (1688-1744).

Student Responsibilities:

- **Attendance in Class.** King's College has a class attendance and acceptance excessive absence policy because the college record student participation in class as an essential to the learning process. This policy is stated on page 60 of the Student Handbook for 2003 to 2005. Accounting courses are problem oriented and require review and reinforcement that can only be achieved through attendance in class. Regular class attendance is required of all students. In the event of excessive absences you should be aware that your name will be referred to the Associate Vice President for Student Affairs. Faculty members are required to report

students having three or more consecutive unexcused absences. In addition, excessive absences will affect your class participation portion of the final grade.

- **Computer Fluency.** You are expected to have a working knowledge of the King's College e-mail system and an e-mail account, the World Wide Web, and Microsoft Excel and Microsoft Word. During the semester you'll be required to access information from my Web site and from the site provided by South-Western College Publishing in connection to the text. A course-related Internet site will provide you with important links on the Web, additional course materials, the course syllabus, and an active e-mail link to me. The course home page is located at "<http://boscia.com/>." The Moodle site for this course may be accessed from an on-campus or off-campus from a link on the My King's page at "<http://www.kings.edu/IITS/index.htm>." In addition to the homework assignments, the textbook Web site, which can be accessed through Moodle. You are encouraged to spend time carefully working through these materials as part of an active learning strategy.
- **Reading Assignments.** It is the student's responsibility to read the material assigned prior to class. Learning new concepts involves more than simple memorization. The presentation of new course material will be far more meaningful if you are prepared. It takes time for concepts to be understood. Therefore, you cannot wait until a day or two before an exam to read the chapters. Don't fall behind! The textbook presents a list of questions covering the reading at the end of each chapter. Answers to these questions are available in the "Course Materials" section of the ACCT 270 Moodle site.
- **Homework.** The **Tentative Class Schedule** contains a list of suggested problems and exercises to be completed in class or outside class as homework. To enhance your learning experience, you may work on these problems and exercises with your fellow classmates. Timely completion of homework assignments is necessary to succeed in the course.

Certain assigned problems will be collected on a regular basis and will be used in determining the final course grade. These problems and their due dates are included in the **Tentative Class Schedule**. All assignments must be completed using spreadsheet and word processing. Failure to turn in assigned homework on time will result in point deductions.

The expectations of life depend upon diligence; the mechanic that would perfect his work must first sharpen his tools. Confucius BC 551-479

- **Group Assignment:** This course includes one group assignment to be completed outside of class -- the **Sophomore-Junior Diagnostic Project**. In addition, various group activities will be used to create a more stimulating learning environment. **Sophomore-Junior Diagnostic Project** groups will be formed either voluntarily or by assignment during the two weeks of class. Individual members of each group will be responsible for submitting their portion of the group assignments listed in the **Sophomore-Junior Diagnostic Project Schedule**. You will be able to hold virtual meetings with your group and exchange working papers at the MOODLE Internet site. Be sure to get to know your group members and interact with them effectively.

A group can deal with a nonperforming or counterproductive member in either of two ways. One method is to ignore the problem and allow that person to be a free-rider. A far better method is to use the following three-step resolution process:

- 1) Give the member an initial written warning describing the instances of nonperformance

and counterproductive actions; the written warning must be dated; it must be signed by all members of the group unless a copy is delivered to the instructor by the next class meeting.

- 2) Give the member a second written warning describing the instances of nonperformance and counterproductive actions that have occurred since the first warning; the second warning must be dated and copies of both warnings must be delivered to the instructor by the next class meeting.
- 3) Meet with the instructor to develop a plan of action for resolving the difficulty; if agreement is not reached, the member is removed from the team with substantial grade penalties possible.

When a student has been removed from the team, that student is responsible for completing the entire **Sophomore-Junior Diagnostic Project** on their own.

Everybody on a championship team doesn't get publicity, but everyone can say he's a champion. Ervin "Magic" Johnson

- **Examinations.** All examinations are scheduled out of class and generally for late afternoon. All students are expected to take each exam when scheduled. Students are required to notify the professor of any conflict PRIOR to the scheduled exam, failure to notify the professor prior to the exam or failure to take the exam will result in a zero for the exam.
- **Class Participation.** The free interchange of ideas, questions and concerns is a major part of the learning process and is required. Active involvement in learning increases what is remembered and integrated. In addition, when students participate they are able to learn from each other. Participation in class discussion and group activities will affect your final course grade. Your use of the Moodle resources also will be tracked and evaluated as part of your participation grade.

Grade Compilation:

Your grade will reflect your overall class performance as measured by attendance, participation, homework and project submissions, and testing. You will be required to demonstrate your learning through two examinations and a final examination.

The final course grade will be computed as follows:	<u>Percentage</u>
Three examinations (three mid-term exams)	70%
Sophomore-Junior Diagnostic Project	20%
Homework	5%
Participation	<u>5%</u>
Total	100%

Letter grades are based upon the following numerical equivalents:

A	= 95% – 100%	C+	= 78% - 81%
A-	= 92% - 94%	C	= 73% - 77%
B+	= 89% - 91%	C-	= 70% - 73%
B	= 85% - 88%	D	= 65% – 69%
B-	= 82% - 84%	F	= Below 65%

Accommodations for Students with Disabilities:

All students who have a learning or physical disability should schedule an appointment with the instructor during the first week of class to discuss accommodations for the classroom and/or assignments and examinations.

Sophomore-Junior Diagnostic Project:

The Accounting Department's Sophomore/Junior Diagnostic Project has been designed to help you learn to analyze financial statements (Annual Reports), an activity essential to your professional development at this time in the major program. The Project will also help us to determine how effectively you are continuing to improve the liberal arts skills of critical thinking and effective oral and written communication, also essential to your success in the profession. The schedule below is intended to help your team manage this project by setting start dates and approximate due dates for specific elements.

Due date	Assignment Parts
Feb. 6	Team Selection: Please print your name in one of the spaces provided on the sign-up sheet posted on the door of Mc 114.
Feb. 20	Company selection: Each team will select a unique publicly held company. Please email your company's name and a link to its "Investor Relations" Web site. In cases where the two teams have chosen the same company, the team with the later email will have to make an alternative selection.
Mar. 27	Background research: Your team will search for relevant news articles, financial analysis, and background materials for your company. Email a list of at least 10 resources that you plan to use for your presentation by the due date. Each team member is responsible for including an individual bibliography with their full-sentence outline of their section of the presentation. To help you search for appropriate materials, you will be given a copy of the <i>Sophomore-Junior Diagnostic Handout</i> that provides guidance for performing a financial statement analysis. In addition, helpful materials are also included in the course textbook.
April 13	Financial analysis: Using spreadsheet software, compute the ratios listed in the <i>Sophomore-Junior Diagnostic Handout</i> . Submit your spreadsheet using email by the due date. Also, answer the questions pertaining to organizational structure, assets, debt, equity, and cash flows included in the handout. Your answers will provide a basis for developing your presentation.
April 27	Sophomore-Junior Diagnostic presentations begin: Presentations must range in length from 20 to 25 minutes. Each member of the group must talk for at least 5 minutes. Each group will submit the following items: <ol style="list-style-type: none"> 1. A printout and electronic copy of the spreadsheet used to generate ratios. 2. A printout and electronic copy of the PowerPoint presentation. 3. A printout of the list of resources used to develop the presentation. In addition, individual members of each team will submit: <ol style="list-style-type: none"> 1. A job resume 2. A full sentence outline of the individual's portion of the presentation with bibliography. All submissions should be compiled in a notebook or folder with a cover page.

Course Schedule & Assignments

Sections A and B - 11:00 am and 1:00 pm on Monday, Wednesday, and Friday

Note: During the semester you are required to submit a minimum of 10 completed homework templates on or before the due date for each chapter. Each homework assignment submitted for credit will be worth 5 points if emailed on or before the due date, and 2 points if received after the due date. You need to earn 50 points to achieve a 100% for your homework score.

Approx start	Reading	Homework Topics	Assignments		Due date
			For practice	For credit	
Jan. 12	Chapter 9	Identification of inventory	25, 26,	35	Jan. 30
		Journal entries to record inventory	28, 30,	68	Jan. 30
		FIFO, LIFO, and average cost	32, 66		
Jan. 19	Chapter 9	Lower of cost or market valuation	44, 51,	49	Jan. 30
		Inventory estimation	55, 62,	59	Jan. 30
		Foreign currency purchases	63, 73,	83	Jan. 30
		Inventory adjustments	75, 79		
Jan. 26	Exam 1: Chapter 9 (Exact date will be announced)				
	Chapter 10	Determining acquisition cost	23, 24	20	Feb. 13
		Recording asset acquisitions	27, 78	22	Feb. 13
		Determining fair value	40, 44	46	Feb. 13
Feb. 2	Chapter 10	Capitalization of interest	30, 32	49	Feb. 13
		Asset retirement obligations	33, 34	50	Feb. 13
		Post-acquisition expenditures	35, 36		
		Research and development costs			
		Full cost and successful efforts			
Feb. 9	Chapter 11	Computation of depreciation	24, 29, 30,	25	Feb. 27
		Computation of depletion	33, 34, 35	49	Feb. 27
Feb. 16	Chapter 11	Impairment of assets	37, 38, 40,	56	Feb. 27
		Sale and exchange of assets	41, 42, 43	66	Feb. 27
		Reclassification as held-for-sale	45		
Feb. 23	Exam 2: Chapters 10 and 11 (Exact date will be announced)				
	Chapter 12	Accounting for mortgages	24, 25	30	Mar. 20
		Issuance of bonds	27, 28	31	Mar. 20
		Journal entries for bonds	50	45	Mar. 20
March 2 through March 6: Winter Recess - No Day or Evening classes					

Tentative start date	Reading	Homework Topics	Assignments		
			For practice	For credit	Due date
March 9	Chapter 12	Sale and retirement of bonds	34, 36	32	Mar. 20
		Accounting for convertible bonds	37, 38	50	Mar. 20
		Troubled debt restructuring	40, 41	54	Mar. 20
March 16	Exam 3: Chapter 12 (Exact date will be announced)				
	Chapter 13	Issuance of capital stock	24, 25,	58	April 17
		Distribution of cash dividends	27, 28		
		Retirement of capital stock			
March 25	Chapter 13	Accounting for treasury stock	30, 31,	29	April 17
		Accounting for stock rights	35	47	April 17
		Accounting for convertible stock		53	April 17
March 30	Chapter 13		37, 38, 39,	26	April 17
		Stock and property dividends		46	April 17
		Reporting stockholders' equity	41, 42	64	April 17
April 6	Exam 4: Chapter 13 (Exact date will be announced)				
	Chapter 23	Common size financial statements	19	31	April 24
		Ratio analysis	21-to-25	36	April 24
April 9 through April 13: Easter Recess - No Day or Evening classes					
April 13	Chapter 22	Translating foreign currency financials	3, 4	5, 6	April 24
April 20	Exam 5: Chapter 22 (Exact date will be announced)				
April 27	Sophomore-Junior Diagnostic presentations				
May 4	Sophomore-Junior Diagnostic presentations				

APPENDIX A
Integration of Competency Growth Plans into
ACCT 270: Intermediate Accounting II - Spring Semester, 2007

- 1) **Critical Thinking Competency**
On an ongoing basis, throughout twelve chapters of Intermediate Accounting II, the students should be able to:
 - a) Understand the general components of the Balance Sheet, Income Statement, Statement of Cash Flows, and Statement of Retained Earnings (the General Purpose Financial Statements of a Corporate Annual Report)
 - b) Analyze the individual Liability and Equity accounts of a Balance Sheet by attesting to the types of transactions that flow through each account.
 - c) Assess the general financial condition of a Corporation through item b) above.
- 2) **Effective Writing Competency**
The student should be able to prepare a written analysis of issues relevant to measuring and analyzing a corporation's general financial condition and results of operations. The student should be able to communicate effectively using email.
- 3) **Library and Information Literacy Competency**
The student should be able to research relevant issues that affect the way in which a corporation prepares its Annual Report with accompanying footnotes.
- 4) **Oral Communication Competency**
The student should be able to present an effective analysis of an issue related to a corporation's general financial condition or results of operations. In addition, the student should be able to react to audience questions.
- 5) **Technology Competency**
The student should be able to conduct research on the Internet relevant to a corporation's Annual Report. In addition, the student should prepare homework solutions using Microsoft Word, Excel Worksheet, and other relevant Windows computer applications. Presentation of the Accounting Information Literacy Project should be done with Power Point.
- 6) **Quantitative Reasoning Competency**
The student should be able to perform computations necessary to prepare the long-term asset, liability, and equity sections a corporation's Annual Report. In addition, the student should understand the implications of choices of accounting methods related to the long-term asset, liability, and equity sections.