COURSE OBJECTIVES

This course builds on the knowledge you obtained in your introductory financial accounting course. This is a 2nd semester intermediate accounting course and is typically taken after completing ACCT 201. The ACCT 201 course covers the income statement, statement of cash flows, and asset side of the balance sheet. In contrast, ACCT 202 primarily covers the liability and equity side of the balance sheet. Case studies and illustrative examples from the financial press will be used to increase your familiarity with actual firms' financial statements and to emphasize the effect of financial accounting rules on the information presented in financial statements. After completing both ACCT 201 and ACCT 202, you will have obtained many of the tools necessary to both prepare and analyze financial statements and accounting information provided by firms. You will acquire an understanding of both the "how" of accounting procedures and the underlying reasons "why" these practices are adopted. These skills are essential for pursuing a broad range of professions in accounting and finance.

This course will also help you prepare for CPA and/or CFA exams, if you are planning to sit for those. Refer to the CPA Exam and CFA Exam topic mapping in this syllabus for further details.

PREREQUISITES

An introductory financial accounting course such as ACCT 101 or equivalent knowledge. The 1st semester intermediate accounting course (ACCT 201) is recommended but not required. The first course session will be a refresher on financial accounting institutions, mechanics, and outputs.

TEXTBOOK AND SUPPLEMENTAL READINGS

Textbook — Intermediate Accounting 16th edition, by Kieso, Weygandt, and Warfield. We will cover all the material in the textbook that was not covered in ACCT 201. In the last topic of the course, we will revisit the statement of cash flows (Chapter 23) in light of the new material you will learn in this course.

Supplemental readings — There are also supplemental readings posted on the class website. These are mostly popular press articles that highlight real world examples of the business and accounting scenarios we discuss in class, contemporary controversies over certain accounting treatments, the standard setting and convergence efforts of the FASB and IASB, and various other topics. Please read these prior to class and be prepared to discuss them.
GRADING

25% Exam #1
25% Exam #2
25% Exam #3
25% Exam #4
[-2%, +2%] Instructor's discretion

Missed exams will be dealt with on a case-by-case basis, and make-up opportunities will be given only for the most unusual and extreme of circumstances (I am the sole arbiter), or for university-approved reasons. Any exam absence not cleared will result in a zero score. You MUST take your exam in your registered section.

Exams are not cumulative, except that when we get to Chapter 23 revisiting the statement of cash flows (the final topic of the course), you will need to know the cash flow impact of the transactions we study throughout the course, and how to present them in the statement of cash flows.

All exams are closed book. You should have a NON-PROGRAMMABLE calculator for all exams (I recommend using a financial calculator; see below). Graphing calculators will not be allowed during exams. Sharing of calculators during exams will not be allowed. Phones, laptops, tablets, and other such devices must be powered off and stored away during exams.

FINANCIAL CALCULATOR

Although in the exams you will be provided with tables for time value of money calculations, I highly recommend you obtain and learn how to use a financial calculator, either the Texas Instruments BA II Plus (standard input) or the Hewlett-Packard 12C (reverse Polish notation). During the January 23, 2018 class session, we will have a tutorial on how to use these two financial calculators.

FASB ACCOUNTING STANDARDS CODIFICATION (ASC)

On September 15, 2009 (the effective date of SFAS 168), the FASB officially adopted the Accounting Standards Codification (ASC). The ASC now serves as the single official source of authoritative, nongovernmental U.S. Generally Accepted Accounting Principles (GAAP) promulgated by the FASB. You can access the ASC here:

URL: http://www2.aaahq.org/ascLogin.cfm
Username:
Password:

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Time permitting, we may occasionally discuss similarities and differences between IFRS and U.S. GAAP approaches, and the convergence efforts of the FASB and IASB. Unless instructed otherwise, you should apply U.S. GAAP for all exam problems and practice problems. However, you will find it useful to be familiar with the convergence efforts and major areas of similarity and difference between U.S. GAAP and IFRS that we discuss. You can access all current non-superseded International Financial Reporting Standards through the "eIFRS Basic" portal on the IASB website (free registration required).

http://www.ifrs.org/IFRSS/Pages/IFRS.aspx

LUNCH

I am able to treat groups of 3, 4, 5, or 6 students to lunch. If you are interested, please email me your group members, lunch venue, and a few dates and times that work for you.
TENTATIVE COURSE SCHEDULE

Class #1 • Thursday, January 11, 2018
Class introduction
Review: The institutional setting of financial accounting in the United States and internationally
Review: Financial accounting concepts, processes, and outputs
Skim the following chapters of the textbook if you need a refresher on these topics:
   - Chapter 1 — The purpose and institutional settings of financial accounting
   - Chapter 2 — Concepts underlying financial accounting
   - Chapter 3 — The mechanics of the accounting process
   - Chapter 4 — Financial statements (income statement, stockholders equity, comprehensive income)
   - Chapter 5 — Financial statements (balance sheet, statement of cash flows)

Class #2 • Tuesday, January 16, 2018
Chapter 13 — Current Liabilities and Contingencies (Current Liabilities)
Supplemental readings — 13.1, 13.2

Class #3 • Thursday, January 18, 2018
Chapter 13 — Current Liabilities and Contingencies (Contingencies)
Chapter 13 — Current Liabilities and Contingencies (Presentation and Analysis)
Supplemental readings — 13.3, 13.4, 13.5, 13.6

Class #4 • Tuesday, January 23, 2018
Chapter 6 — Accounting and the Time Value of Money
Review of time value of money concepts needed for future topics
Tutorial on how to use a financial calculator
Supplemental readings — 06.1, 06.2

Class #5 • Thursday, January 25, 2018
Chapter 14 — Long-term liabilities (Bonds Payable)
Chapter 14 — Long-term liabilities (Valuation of Bonds Payable)
Supplemental readings — 14.1, 14.2

Class #6 • Tuesday, January 30, 2018
Chapter 14 — Long-term liabilities (Long-term Notes Payable)
Chapter 14 — Long-term liabilities (Reporting and Analyzing Liabilities)
Supplemental readings — 14.3

Class #7 • Thursday, February 1, 2018
Appendix 14A — Troubled-Debt Restructurings
Chapter 14 — Long-term liabilities (IFRS Insights)
Supplemental readings — 14.4, 14.5, 14.6

Class #8 • Tuesday, February 6, 2018
Exam #1
Class #9 • Thursday, February 8, 2018
  Chapter 15 — Stockholders' Equity (Corporate Capital)
  Chapter 15 — Stockholders' Equity (Reacquisition of Shares)
  Supplemental readings — 15.1, 15.2

Class #10 • Tuesday, February 13, 2018
  Chapter 15 — Stockholders' Equity (Dividend Policy)
  Supplemental readings — 15.3, 15.4

Class #11 • Thursday, February 15, 2018
  Chapter 15 — Stockholders' Equity (Presentation and Analysis of Stockholders' Equity)
  Appendix 15A — Dividend Preferences and Book Value per Share
  Chapter 15 — Stockholders' Equity (IFRS Insights)
  Supplemental readings — 15.5, 15.6

Class #12 • Tuesday, February 20, 2018
  Chapter 16 — Dilutive Securities and Earnings per Share (Dilutive Securities)
  Chapter 16 — Dilutive Securities and Earnings per Share (Stock Warrants)
  Chapter 16 — Dilutive Securities and Earnings per Share (Stock Compensation Plans)
  Supplemental readings — 16.1

Class #13 • Thursday, February 22, 2018
  Chapter 16 — Dilutive Securities and Earnings per Share (Basic Earnings per Share)
  Chapter 16 — Dilutive Securities and Earnings per Share (Diluted Earnings per Share)
  Supplemental readings — 16.2, 16.3

Class #14 • Tuesday, February 27, 2018
  Appendix 16A — Accounting for Stock-Appreciation Rights
  Appendix 16B — Comprehensive Earnings per Share Example
  Chapter 16 — Dilutive Securities and Earnings per Share (IFRS Insights)
  Supplemental readings — 16.4, 16.5

Class #15 • Thursday, March 1, 2018
  Exam #2
Class #16 • Tuesday, March 13, 2018
   Chapter 19 — Accounting for Income Taxes (Fundamentals of Accounting for Income Taxes)
   Chapter 19 — Accounting for Income Taxes (Additional Considerations)
   Supplemental readings — 19.1, 19.2

Class #17 • Thursday, March 15, 2018
   Chapter 19 — Accounting for Income Taxes (Accounting for Net Operating Losses)
   Chapter 19 — Accounting for Income Taxes (Financial Statement Presentation)
   Supplemental readings — 19.3

Class #18 • Tuesday, March 20, 2018
   Appendix 19A — Comprehensive Example of Interperiod Tax Allocation
   Chapter 19 — Accounting for Income Taxes (IFRS Insights)
   Supplemental readings — 19.4, 19.5

Class #19 • Thursday, March 22, 2018
   Chapter 20 — Accounting for Pensions and Postretirement Benefits (Fundamentals of Pension Accounting)
   Chapter 20 — Accounting for Pensions and Postretirement Benefits (Using a Pension Worksheet)
   Supplemental readings — 20.1, 20.2

Class #20 • Tuesday, March 27, 2018
   Chapter 20 — Accounting for Pensions and Postretirement Benefits (Prior Service Cost (PSC))
   Chapter 20 — Accounting for Pensions and Postretirement Benefits (Gains and Losses)
   Supplemental readings — 20.3

Class #21 • Thursday, March 29, 2018
   Chapter 20 — Accounting for Pensions and Postretirement Benefits (Reporting Pension Plans in Financial Statements)
   Chapter 20 — Accounting for Pensions and Postretirement Benefits (IFRS Insights)
   Supplemental readings — 20.4

Class #22 • Tuesday, April 3, 2018
   Exam #3
Class #23 • Thursday, April 5, 2018
  Chapter 21 — Accounting for Leases (The Leasing Environment)
  Chapter 21 — Accounting for Leases (Accounting by the Lessee)

Class #24 • Tuesday, April 10, 2018
  Chapter 21 — Accounting for Leases (Accounting by the Lessor)
  Chapter 21 — Accounting for Leases (Special Lease Accounting Problems)
  Supplemental readings — 21.4, 21.5

Class #25 • Thursday, April 12, 2018
  Chapter 21A — Accounting for Leases (Sale-Leasebacks)
  Chapter 21 — Accounting for Leases (IFRS Insights)
  Supplemental readings — 21.6, 21.7

Class #26 • Tuesday, April 17, 2018
  Chapter 17A — Accounting for Derivative Instruments
  Supplemental readings — 17.1

Class #27 • Thursday, April 19, 2018
  Chapter 23 — Statement of Cash Flows (Statement of Cash Flows)
  Chapter 23 — Statement of Cash Flows (Preparing the Statement of Cash Flows)
  Supplemental readings — 23.1

Class #28 • Tuesday, April 24, 2018
  Chapter 23 — Statement of Cash Flows (Special Problems in Statement Preparation)
  Chapter 23 — Statement of Cash Flows (Use of a Worksheet)
  Chapter 23 — Statement of Cash Flows (IFRS Insights)
  Supplemental readings — 23.2, 23.3, 23.4, 23.5

Exam #4 during final exam period — Date, time, and location to be determined
### 2018 CPA Exam Mapping

All material in this course will be covered in the Financial Accounting and Reporting (FAR) section of the CPA exam. The AICPA Uniform CPA Examination Blueprints effective January 1, 2018 can be found here:

https://www.aicpa.org/becomeacpa/cpaexam/examinationcontent.html

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<td>23 — Statement of Cash Flows</td>
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### 2018 CFA Exam Mapping

Almost all material in this course is covered in the "Financial Reporting and Analysis" topic area of Level I and some of it is covered in Level II (Financial Reporting and Analysis is not tested in Level III). This topic area comprises 20% of the Level I curriculum and 15-20% of the Level II curriculum. The 2018 CFA Exam Level I and Level II Curriculum Learning Outcome Statements (LOS) can be found here:

http://www.cfainstitute.org/programs/cfaprogram/courseofstudy/Pages/study_sessions.aspx

**Level I:**

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