SYLLABUS
ACC 231 – INTERMEDIATE FINANCIAL ACCOUNTING
SPRING (March-May) 2013
MEETING TIME: Mondays: 6:00 p.m. - 10:00 p.m.
FIRST CLASS: MARCH 25th NOT March 18th
INSTRUCTOR: Britt Blackwell, MBA
OFFICE HOURS: I will try to arrive one half hour before scheduled class time. Other times arranged as needed.
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Use for class related e-mails ONLY


COURSE OBJECTIVE:
1. Implement generally accepted accounting principles (GAAP)
2. Demonstrate the implementation guidelines for financial accounting.
3. Determine the rule-making framework in which various organizations, and other environmental factors, influence the setting of accounting standards.
4. Examine the generally accepted accounting, reporting, and disclosure requirements
5. Apply the generally accepted accounting, reporting, and disclosure requirements to the preparation of the general-purpose financial statements.
6. Demonstrate a proficiency in performing interest calculations pertinent to a wide range of accounting issues.
7. Apply various methods of revenue and cost recognition
8. Demonstrate a thorough understanding of the generally accepted accounting principles and practices with respect to the recognition, measurement, and valuation

PREREQUISITE: ACC 104 with a C- or higher or permission from instructor.

Establishment of an account at McGraw-Hill Connect to access homework and Test assignments and submissions is required.

http://connect.mcgraw-hill.com/class/b_blackwell_doane_spring-2013

CALCULATORS: Basic 6 function calculators may be used for any class activity including Exams

METHODS OF INSTRUCTION: Primarily through lecture, demonstration, and homework review. Questions are encouraged and participation is expected

ATTENDANCE: Most chapters in this course build upon the foundation of earlier chapters. Absences impair ability to master new material; the result will be lower grades without an imposed penalty. If the student expects to learn, (s)he must attend class

METHODS OF LEARNING: Reading for the chapter should be done prior to the scheduled lecture on that chapter. This initial reading should be done in order to become familiar with the issues and to identify potential problem areas. After the lecture over the chapter, reread for mastery. For the majority of students, failure to do homework results in failure to master the course content. Be prepared to solve assigned problems in class when called upon. It is best to try to do the assignments without referring to the text unless absolutely necessary. As problems are discussed, make corrections in a different color; this will help identify problem areas to study for exams. Each chapter begins with a list of “Learning Objectives.” At the conclusion of each chapter, refer back to these objectives and confirm that you have mastered each of them. I encourage you to form study groups to prepare for in-class activities and exams.

EXAMS: There will be 6 unit exams. Exams will be on line. Be advised – On line exams are more challenging than in-class exams. On-Line exams must be submitted as announced. Make-up of an exam is allowed at the sole discretion of the instructor and only under the most extreme circumstances, (and then requires the signatures of three physicians, the governor of Utah, and the Archbishop of Canterbury). In other words, don’t miss scheduled exams.

GRADES: The final grade will be determined as follows:
6 exams 80 % of Grade (@ 100) 600 plus
7 Homework Assignments 20% of Grade (@100)
Grading Scale
A+  96-100
A   90-95
B+  87-89
B   80-86
C+  76-79
C   70-76
D+  67-69
D   60-66
F   Below 60

ACADEMIC DISHONESTY: The Doane College Academic Integrity Policy will be adhered to in this class. All projects and tests will represent your own work. Any use of others’ ideas and words without proper citation is plagiarism and will result in penalties to be determined by the instructor and/or the dean of undergraduate studies. Students may work together to complete homework assignments, but work should be substantially one’s own. In-class exams are to be the work of each individual only.

STUDENT INFORMATION: The Family Educational and Privacy Rights Act (FERPA), places strict restrictions upon school personnel, including instructors, regarding disclosure of personal information, including grades. Students may request exam results or grades by e-mailing a request from their Doane e-mail account. Please do not ask to receive exam results or grades via phone or another e-mail address. The instructor reserves the right to revise the schedule and/or assignments as the term develop. I am in the process of reviewing the chapters and assignments which may well change. It is the student’s responsibility to keep up to date with any revisions.

CURRICULUM

Chapter 1  Environment and Theoretical Structure of Financial Accounting
After studying this chapter, you should be able to:

LO1  Describe the function and primary focus of financial accounting. (page 4)
LO2  Explain the difference between cash and accrual accounting. (page 7)
LO3  Define generally accepted accounting principles (GAAP) and discuss the historical development of accounting standards. (page 9)
LO4  Explain why the establishment of accounting standards is characterized as a political process. (page 12)
LO5  Explain the purpose of the FASB's conceptual framework. (page 20)
LO6  Identify the objective of financial reporting, the qualitative characteristics of financial reporting information, and the elements of financial statements. (page 21)

Chapter 2  Review of the Accounting Process
After studying this chapter, you should be able to:

LO1 Analyze routine economic events—transactions—and record their effects on a company’s financial position using the accounting equation format. (page 52)
LO2 Record transactions using the general journal format. (page 56)
LO3 Post the effects of journal entries to general ledger accounts and prepare an unadjusted trial balance. (page 63)
LO4 Identify and describe the different types of adjusting journal entries. (page 66)
LO5 Record adjusting journal entries in general journal format, post entries, and prepare an adjusted trial balance. (page 67)
LO6 Describe the four basic financial statements. (page 76)
LO7 Explain the closing process. (page 79)
LO8 Convert from cash basis net income to accrual basis net income. (page 83)

Chapter 3 The Balance Sheet and Financial Disclosures

After studying this chapter, you should be able to:

LO1 Describe the purpose of the balance sheet and understand its usefulness and limitations. (page 115)
LO2 Distinguish among current and noncurrent assets and liabilities. (page 116)
LO3 Identify and describe the various balance sheet asset classifications. (page 117)
LO4 Identify and describe the two balance sheet liability classifications. (page 120)
LO5 Explain the purpose of financial statement disclosures. (page 124)
LO6 Explain the purpose of the management discussion and analysis disclosure. (page 128)
LO7 Explain the purpose of an audit and describe the content of the audit report. (page 129)
LO8 Describe the techniques used by financial analysts to transform financial information into forms more useful for analysis. (page 132)
LO9 Identify and calculate the common liquidity and financing ratios used to assess risk. (page 133)
LO10 Discuss the primary differences between U.S. GAAP and IFRS with respect to the balance sheet, financial disclosures, and segment reporting. (pages 122 and 141)

Chapter 4 The Income Statement and Statement of Cash Flows

After studying this chapter, you should be able to:

LO1 Discuss the importance of income from continuing operations and describe its components. (page 170)
LO2 Describe earnings quality and how it is impacted by management practices to manipulate earnings. (page 175)
LO3 Discuss the components of operating and non-operating income and their relationship to earnings quality. (page 176)
LO4 Define what constitutes discontinued operations and describe the appropriate income statement presentation for these transactions. (page 182)
LO5 Define extraordinary items and describe the appropriate income statement presentation for these transactions. (page 186)
LO6 Describe the measurement and reporting requirements for a change in accounting principle. (page 188)
LO7 Explain the accounting treatments of changes in estimates and correction of errors. (page 190)
LO8 Define earnings per share (EPS) and explain required disclosures of EPS for certain income statement components. (page 192)
LO9 Explain the difference between net income and comprehensive income and how we report components of the difference. (page 194)
LO10 Describe the purpose of the statement of cash flows. (page 198)
LO11 Identify and describe the various classifications of cash flows presented in a statement of cash flows. (page 199)
LO12 Discuss the primary differences between U.S. GAAP and IFRS with respect to the income statement and statement of cash flows. (pages 174, 182, 187, 195, 199, and 204)

Chapter 5  Income Measurement and Profitability Analysis
After studying this chapter, you should be able to:

LO1 Discuss the general objective of the timing of revenue recognition, list the two general criteria that must be satisfied before revenue can be recognized, and explain why these criteria usually are satisfied at a specific point in time. (page 234)
LO2 Describe the installment sales and cost recovery methods of recognizing revenue for some types of installment sales and explain the unusual conditions under which these methods might be used. (page 239)
LO3 Discuss the implications for revenue recognition of allowing customers the right of return. (page 244)
LO4 Identify situations that call for the recognition of revenue over time and distinguish between the percentage-of-completion and completed contract methods of recognizing revenue for long-term contracts. (page 245)
LO5 Discuss the revenue recognition issues involving multiple-deliverable contracts, software, and franchise sales. (pages 258 and 260)
LO6 Identify and calculate the common ratios used to assess profitability. (page 265)
LO7 Discuss the primary differences between U.S. GAAP and IFRS with respect to revenue recognition. (pages 237, 256, 260, and 262)

Chapter 6  Time Value of Money Concepts
After studying this chapter, you should be able to:

LO1 Explain the difference between simple and compound interest. (page 300)
LO2 Compute the future value of a single amount. (page 301)
LO3 Compute the present value of a single amount. (page 302)
LO4 Solve for either the interest rate or the number of compounding periods when present value and future value of a single amount are known. (page 304)
LO5 Explain the difference between an ordinary annuity and an annuity due situation. (page 309)
LO6 Compute the future value of both an ordinary annuity and an annuity due. (page 310)
LO7 Compute the present value of an ordinary annuity, an annuity due, and a deferred annuity. (page 312)
LO8 Solve for unknown values in annuity situations involving present value. (page 316)
LO9 Briefly describe how the concept of the time value of money is incorporated into the valuation of bonds, long-term leases, and pension obligations. (page 320)

Chapter 7 Cash and Receivables
After studying this chapter, you should be able to:

LO1 Define what is meant by internal control and describe some key elements of an internal control system for cash receipts and disbursements. (page 338)
LO2 Explain the possible restrictions on cash and their implications for classification in the balance sheet. (page 340)
LO3 Distinguish between the gross and net methods of accounting for cash discounts. (page 343)
LO4 Describe the accounting treatment for merchandise returns. (page 344)
LO5 Describe the accounting treatment of anticipated uncollectible accounts receivable. (page 347)
LO6 Describe the two approaches to estimating bad debts. (page 347)
LO7 Describe the accounting treatment of short-term notes receivable. (page 352)
LO8 Differentiate between the use of receivables in financing arrangements accounted for as a secured borrowing and those accounted for as a sale. (page 356)
LO9 Describe the variables that influence a company's investment in receivables and calculate the key ratios used by analysts to monitor that investment. (page 365)

Chapter 8 Inventories: Measurement
After studying this chapter, you should be able to:

LO1 Explain the difference between a perpetual inventory system and a periodic inventory system. (page 399)
LO2 Explain which physical quantities of goods should be included in inventory. (page 400)
LO3 Determine the expenditures that should be included in the cost of inventory. (page 401)
LO4 Differentiate between the specific identification, FIFO, LIFO, and average cost methods used to determine the cost of ending inventory and cost of goods sold. (page 404)
LO5 Discuss the factors affecting a company's choice of inventory method. (page 411)
LO6 Understand supplemental LIFO disclosures and the effect of LIFO liquidations on net income. (page 413)
LO7 Calculate the key ratios used by analysts to monitor a company's investment in inventories. (page 419)
LO8 Determine ending inventory using the dollar-value LIFO inventory method. (page 421)
LO9 Discuss the primary difference between U.S. GAAP and IFRS with respect to determining the cost of inventory. (page 411)

Chapter 9 Inventories: Additional Issues
After studying this chapter, you should be able to:
LO1 Understand and apply the lower-of-cost-or-market rule used to value inventories. (page 448)

LO2 Estimate ending inventory and cost of goods sold using the gross profit method. (page 456)

LO3 Estimate ending inventory and cost of goods sold using the retail inventory method, applying the various cost flow methods. (page 458)

LO4 Explain how the retail inventory method can be made to approximate the lower-of-cost-or-market rule. (page 461)

LO5 Determine ending inventory using the dollar-value LIFO retail inventory method. (page 465)

LO6 Explain the appropriate accounting treatment required when a change in inventory method is made. (page 469)

LO7 Explain the appropriate accounting treatment required when an inventory error is discovered. (page 472)

LO8 Discuss the primary differences between U.S. GAAP and IFRS with respect to the lower-of-cost-or-market rule for valuing inventory. (page 453)