

## **ACCOUNTING 3020, INTERMEDIATE ACCOUNTING II**

### **FALL SEMESTER, 2007**

**INSTRUCTOR:** Craig E. Isom  
**OFFICE PHONE:** 586-5497  
**OFFICE HOURS:** 9:00—10:00 Monday through Friday  
11:00—12:00 Monday through Friday  
1:30—2:00 Monday through Friday  
Other times – by appointment

**OFFICE:** 307 Business Building

**MEETING TIME & LOCATION:** 2:00 – 2:50 MWF, Business Building 203

**DESCRIPTION:** This is the second course of what is considered the Accounting core and continues the study of generally accepted accounting principles. Particular attention is given to measuring and reporting liabilities (including liabilities associated with leases, pensions, and deferred taxes). Also covered are the accounting for marketable securities, stockholder equity transactions, convertible securities, revenue recognition, earnings per share and the impact on the basic financial statements, and the restating of financial statements for prior period adjustments and changes in an accounting principle.

*This course is part of the FARE portion of the CPA exam, and it with Acct 3010 constitutes more than 50% of that portion of the Exam. The material covered in this course is not covered in any subsequent course, therefore, it is taught at a level that will enable you to pass the CPA Exam. And that is the level of effort expected of you in your studying.*

#### **Prerequisites:**

Accounting 3010: Intermediate Accounting I

**TEXT:** *Intermediate Accounting, 12<sup>th</sup> Edition, Kieso, Weygandt, Warfield, Wiley, 2007*

#### **Learning Objectives:**

1. Do the accounting and financial reporting for liabilities (including liabilities associated with leases, pensions, and deferred taxes), and for marketable securities, stockholder equity transactions, and convertible securities, revenue recognition and earnings per share.
2. Prepare the basic financial statements, and the restating of financial statements for prior period adjustments and changes in an accounting principle.
3. Improve written communication skills.
4. Improve effective verbal presentation and communication skills.
5. Use quantitative analysis and information technology.
6. Sharpen critical thinking skills.
7. Improve sensitivity to ethical issues and the ability to make ethical decisions, with the courage to implement the desired ethical action.

#### **Learning Environment:**

It is not possible to teach you everything you will need to know to be successful in an accounting career after graduation. It is not possible because (1) there is simply too much material to cover, and (2) I am not all-knowing, so I do not know what material you will need to know. But I know the type of material you will need to know to pass the CPA Exam and to be a successful accountant. That material I will teach you. But I will also teach you techniques and a way of thinking that you can apply after graduation that will aid you in being successful in your career. It is similar to learning carpentry. The teacher teaches how to use the tools and assigns projects for the student to build so the student learns how to use the tools, but expects the student to build any project desired after having learned the use of the tools. I use that same format in this class. I will teach you how to use the tools, give you some examples of using those tools, but expect you to be able to apply those tools as necessary after graduation.

So, to be successful in this course I suggest the following:

- a. Read the chapter carefully paying attention to the principles and techniques,
- b. Do all assigned homework looking for how the principles and techniques were applied,
- c. Think about how these principles and techniques could be applied to other situations,
- d. Work in groups and discuss your thoughts with others,
- e. Come to class prepared to discuss your thoughts and to respond to my questions/thoughts,
- f. Read the chapter again.

Do not succumb to the notion (that is a big part of high school teaching) that “putting in a lot of time” will bring a good grade in this class. The amount of time you spend will help to learn the material, but just putting in time does not equate to learning the material or receiving the desired grade. Knowledge is what grades are primarily based upon, not time spent. So, in addition to the suggestions above, do all else required to learn the material.

## ***CLASSROOM POLICIES***

### ***Disclaimer Statement:***

Information contained in this syllabus, other than the grading, late assignments, makeup work, and attendance policies, may be subject to change with advance notice, as deemed appropriate by the instructor and agreed to by the majority of the class.

### ***Office Hours:***

My office hours are for you to obtain additional, private tutelage or merely to get better acquainted. Utilize them. You are not “infringing” on my time when you come to see me. My office hours will be posted and I will make every attempt to adhere to them. However, occasionally department or school meetings/matters may interfere, or family emergencies may arise. When such occur please excuse my absence and come again. If I am in my office at times other than during office hours—and I often am—then I am available to help. If my office door is closed, please knock as I may be in and available. If my office hours are not convenient, I will be glad to arrange an appointment with you for another time.

### ***University’s Disability Policy:***

Students with medical, psychological, learning or other disabilities desiring academic adjustments, accommodations or auxiliary aids will need to contact the Southern Utah University Coordinator of Services for Students with Disabilities (SSD), in Room 206F of the Sharwan Smith Center or phone (435) 865-8022. SSD determines eligibility for and authorizes the provision of services.

### ***University’s Academic Integrity Policy:***

As expressed in University policy and stated in the General Catalog, academic dishonesty, including cheating, forgery, plagiarism, and the use of work belonging to another person, will not be tolerated in the School of Business. Professors within the School will respond to a student's academic dishonesty as follows:

All incidents of academic dishonesty will be written up by the appropriate instructor and included in the student's file. The student may also write up his or her version of the event, and have that included in the file. All incidents of academic dishonesty will be brought before the School of Business Academic Dishonesty Committee for consideration. This committee will be comprised of the School of Business Department Chairs, and the Dean. For first offenses, the instructor in whose class the infraction occurred may present the case before the committee, and recommend appropriate action. The student may also attend, and present his or her case. The committee will have the final responsibility to determine the punishment assessed, which may include failure of the course and/or expulsion from the Business program. Further offenses will automatically result in the student being expelled by the committee from the program.

***Attendance Policy:***

Attendance will not be taken, however, in may impact your class participation grade. However, you should recognize that attendance is an important part of gaining mastery of the material sufficient to do well in the course.

***Homework & Quizzes:***

**Exercises and Problems:** Not all homework will be collected and graded. In doing homework, I encourage you to work in groups, but the size of the group should not be larger than six. When you work in groups, PLEASE turn in only one paper, being sure everyone's name who assisted in arriving at the answer is on the paper. (Don't cheat and include a name on the homework assignment if he/she did not help.) All supporting detail—clearly labeled and easy to follow in determining the solution—should accompany the answer. **Points will be awarded based upon adequacy of supporting detail and ease of following the analysis leading to the answer.** You do not have to have the “correct” answer to get credit. So much is learned in making the attempt. Exercise your best judgement and do your best to solve the problems and then come to class prepared to discuss and adjust your thinking, as necessary. That's learning! All homework must be typed or machine copied (i.e., photocopied). **Hand-written homework will receive a grade of zero. Late homework normally will receive a grade of zero.** Homework turned in after a score of 200 has been reached will be considered bonus points (particularly in the area of “class participation”).

Homework turned in is worth ten points each, however some homework will be worth more than that.

Quizzes will be given on an unannounced basis, and will be equal in value to the homework assignments (10 points each).

**Written Assignments:** Writing skills will be of significant importance to you throughout your career. This class, therefore, requires and stretches your writing skills. At minimum you will be required to submit two written assignments (beyond homework submissions) that will be critically graded and reviewed. These are 1) your views on the importance of ethical behavior by accountants and 2) the the formal write-up of your class presentation of the assigned “Concepts for Analysis”. The following summarizes the criteria for grading your writing:

**Grading Criteria for Writing Assignments**

| <u>Competency</u>  | <u>Percentage of Grade/Points</u> | <u>Your Score</u> | <u>Grading Legend</u> |
|--|-----------------------------------|-------------------|-----------------------|
| <b>Grammar including spelling</b>                                    | <b>20% / 10 points</b>            |                   | <b>G</b>              |
| <b>Writes well: Clear, Concise, and Complete</b>                     | <b>20% / 10 points</b>            |                   | <b>C</b>              |
| <b>Organizes information into effective sentences and paragraphs</b> | <b>20% / 10 points</b>            |                   | <b>O</b>              |
| <b>Uses an effective business vocabulary</b>                         | <b>20% / 10 points</b>            |                   | <b>V</b>              |
| <b>Persuasive and convincing</b>                                     | <b>20% / 10 points</b>            |                   | <b>P</b>              |
| <b>Final score: maximum 50 points</b>                                |                                   |                   |                       |

**Oral Presentation:** Each student—chosen on a random basis—will present the solution to one of the homework problems selected by the instructor. Presentations will be evaluated according to the rubric below.

### Grading Criteria for Oral Presentations

|   | 1   | 2  | 3  | 4   | 5  |
|---|---|--|--|---|--|
| <b>Mechanics</b>  |   |  |  |   |  |
| <b>1. Grammar</b>   | Four or more errors   | Three errors   | Two errors   | One error   | No errors  |
| <b>2. Business Vocabulary</b> (e.g., appropriate use of technical jargon)                       | Completely inappropriate use of technical jargon. Excessive slang. Profanity.   | Somewhere between completely inappropriate and occasionally inappropriate. | Occasionally inappropriate use of technical jargon Some slang.   | Mostly appropriate.                                       | Completely appropriate use of jargon. No slang.  |
| <b>Platform skills</b>  |   |  |  |   |  |
| <b>3. Rapport</b> (e.g., audience attention or involvement)                                     | No introduction or greeting. Audience disinterested or not involved.  | Somewhere between no rapport and some rapport.                             | Some audience involvement.   | Somewhere between some rapport and completely engaging.   | Completely engaged audience's attention.   |
| <b>4. Voice Qualities</b>   | Poor. Halting, uneven pace. Can not hear all the words due to mumbling, speaking too softly, too quickly, or in monotone. | Somewhere between poor and adequate voice qualities.                       | Adequate pace and volume. Speaks fairly clearly, but lacks sufficient variations in vocal intonation for emphasis. | Somewhere between adequate and excellent voice qualities. | Fluid, natural delivery. Speaks moderately slowly with good vocal variety, articulation, and volume. |
| <b>5. Eye Contact</b>   | No eye contact. Reads continuously. Stares at ceiling or at slide screen.   | Somewhere between no and moderate eye contact.                             | Moderate eye contact.  | Somewhere between moderate and continuous eye contact.    | Continuous eye contact. Faces audience. Rarely refers to notes.                                      |
| <b>6. Body language; poise</b>  | Distracting. Sways, paces, or fidgets so that audience is distracted .  | Somewhere between distracting and neutral body language.                   | Occasionally uses hands and body movements appropriately, but may still be a bit                                   | Somewhere between neutral and engaging body language.     | Engaging. Uses gestures and expressions to enhance presentation..                                    |
| <b>Content</b>  |   |  |  |   |  |
| <b>7. Command of material</b> (e.g., the amount of reading)                                     | Poor. Struggles often to find words. Reads most of presentation.  | Between poor and adequate command of material.                             | Reads small parts of material. Some struggling to find words.  | Between adequate and excellent command of material.       | Excellent. Does not read from notes or slides. Expresses ideas fluently in own words.                |
| <b>8. Understanding</b> (e.g., the accuracy of statements and the coverage of the topic)        | Major topics or concepts were inaccurately described, explained, or omitted.  | Between poor and adequate understanding and coverage of topic              | A few topics or concepts were inaccurately described, or omitted.  | Between adequate and excellent understanding and coverage | Excellent understanding and coverage.  |
| <b>9. Organization</b> (e.g., the relevance of the material, and structure of the presentation) | Poor. Purpose not clear. Information disjointed or inadequate. No summary or conclusion.                                  | Somewhere between poor and adequate content.                               | Information is usually relevant and appropriate. Presentation had reasonable structure.                            | Somewhere between adequate and engaging content.          | Information is relevant to audience. Excellent details.  |
| <b>10. Other</b> (e.g., dress, visual aids)   | Unacceptable. Numerous problems degraded the quality of the presentation.   | At least one major problem degraded the quality of the presentation.       | Acceptable. A few minor problems were noticed.   | Somewhere between acceptable and no problems              | No problems were noticed.  |

**Exams:**

Four exams (including a comprehensive final exam) will be administered during the semester. For the most part, the interim exams will consist of in-class multiple-choice questions. Occasionally, some portion of an interim exam may be take-home. All interim exams are counted equally. No make-up exams will be given during the semester. Rather, the score on the first interim exam missed will be the same percentage score that is received on the final exam. If two interim exams are missed, the score on the second interim exam missed will be zero.

Generally, the material on exams will be from the material covered in lecture and homework assigned. However, there will always be a multiple-choice question, or two, that will come from the reading material and will not have been covered in class. This is done because (1) there is not time to cover all important material in lecture, and (2) to motivate/encourage you to read the text. Finally, tests are designed to both (1) test your knowledge of what was covered (i.e., regurgitate the material) and (2) test your ability to apply the material.

**Grading:**

Below is the anticipated grading schedule:

- A = 90% to 100%
- B = 80 to 89%
- C = 65 to 79%
- D = 55 to 64%
- F = below 55%

**Determination of Course Grade:**

|                                       |                   |
|---------------------------------------|-------------------|
| 3 Midterm Exams                       | 300 Points        |
| Final Exam                            | 200 Points        |
| Written assignments (2)               | 100 Points        |
| Oral presentation/class participation | 100 Points        |
| Homework and Quizzes                  | <u>200 Points</u> |
| Total Points                          | 900 Points        |

**Academic Fees:**

All fees assessed for this course are used to buy computer supplies and equipment for use in the School of Business.

**Assignment Material (key – E = Exercise, P = Problem, CA = Concept for Analysis)**

| <i>Date</i> | <i>Topic/Chapter Material</i>  | <i>Homework Assignment Due</i>                        | <i>Other Assignments</i> |
|-------------|--|---|--------------------------|
| 8/27        | Introduction to course/Current Liabilities Defined   |   | Read Chapter 13          |
| 8/29        | Current Liabilities  | E13-1, E13-5, E13-8, E13-16, CA13-4                   |                          |
| 8/31        | Current Liabilities / Introduce Long-term Liabilities  | E13-13, E13-15, E13-19, E13-20, P13-5, P13-10, CA13-6 | Read Chapter 14          |
| 9/3         | <b>Labor Day – no classes</b>  |   |                          |
| 9/5         | Long-term Liabilities - Bonds  | E14-2, E14-5, E14-9, CA14-1, CA14-2                   |                          |
| 9/7         | Long-term Liabilities – Other Topics   | E14-17, E14-25, E14-27, CA14-5                        | Read Chapter 15          |
| 9/10        | Stockholders' Equity – Corporate Capital   | E15-18, P15-1, P15-4, CA15-3, CA15-7                  |                          |
| 9/12        | Stockholders' Equity – Dividends, etc.   | E15-19, E15-23, P15-11, CA15-5                        | Read Chapter 16          |
| 9/14        | Earnings Per Share – Dilutive Securities   | E16-8, E16-11, E16-21, P16-1, CA16-2, CA16-7          |                          |
| 9/17        | Earnings Per Share - Computations  | E16-13, E16-23, P16-7, P16-8, CA16-7                  |                          |
| 9/19        | Earnings Per Share – Stock-based Compensation Plans  | E16-25, E16-27, E16-29, CA16-8                        |                          |
| 9/21        | <b>President's Inauguration – no classes</b>   |   |                          |
| 9/24        | <b>Examination #1</b> (Chapters 13-16)   |   |                          |
| 9/26        | Review exam/ Introduction to Investments   |   | Read Chapter 17          |
| 9/28        | Investments - <20% Ownership Interest  | E17-1, P17-2, P17-7, CA17-4                           |                          |
| 10/1        | Investments - >20% Ownership Interest  | E17-11, E17-12, E17-14, CA17-2, CA17-3, CA17-5        |                          |
| 10/3        | Investments – Reporting Issues/Derivatives   | E17-19, E17-10, E17-18, E17-22, E17-23, CA17-7        | Read Chapter 18          |
| 10/5        | Revenue Recognition – When?  | E18-3, P18-1, CA18-1, CA18-2                          |                          |
| 10/8        | Revenue Recognition – Long-term Contracts  | E18-4, P18-12, P18-13, P18-15, CA18-6, CA18-8         |                          |
| 10/10       | Revenue Recognition – Repossessions/Cost-recovery Method   | E18-13, E18-15, P18-13, CA18-9                        |                          |
| 10/12       | Revenue Recognition – Franchising/Consignments   | E18-20, E18-21, CA18-10                               | Read Chapter 19          |
| 10/15       | Accounting for Income Taxes - Fundamentals   | E19-6, E19-7, E19-8, P19-1, CA19-2, CA19-4            |                          |
| 10/17       | Accounting for Income Taxes – Net Operating Losses   | E19-9, E19-24, P19-5, CA19-6                          |                          |
| 10/19       | Accounting for Income Taxes – Comprehensive Example (Appendix 19A)   | P19-7, P19-9, CA19-7                                  |                          |
| 10/22       | <b>Harvest Holiday – No Classes</b>  |   |                          |
| 10/24       | <b>Examination #2</b> – (Chapters 17-19)   |   |                          |
| 10/26       | Review Exam/Intro. n to Post Retirement Benefits   |   | Read Chapter 20          |
| 10/29       | Post Retirement Benefits – Nature and Accounting   | E20-2, E20-4, E20-11, CA20-2                          |                          |
| 10/31       | <b>Halloween</b> – Come dressed like an accountant!<br>Post Retirement Benefits Minimum Liability Presentation | E20-1, E20-16, P20-2, CA20-3, CA20-7                  |                          |
| 11/2        | Post Retirement Benefits – Appendix 20A/ Intro. To Accounting for Leases                                       | E20-8, E20-9, E20-12, E20-23, P20-10, CA20-5          | Read Chapter 21          |
| 11/5        | Accounting for Leases - Lessee   | E21-2, E21-4, E21-8, P21-4, CA21-1, CA21-3            |                          |

|             |   |                                     |                 |
|-------------|---|-------------------------------------|-----------------|
| 11/7        | Accounting for Leases - Lessor  | E21-4, E21-7, P21-5, P21-15, CA21-4 |                 |
| 11/9        | Accounting for Leases – Other Issues (including Sale/Leaseback)                             | E21-15, P21-13, P21-14, CA21-8      | Read Chapter 22 |
| 11/12       | Accounting Changes  | E22-1, E22-11, P22-4, P22-5, CA22-6 |                 |
| 11/14       | Error Analysis  | E22-8, P22-1, P22-8, CA22-2         |                 |
| 11/16       | Accounting Changes/Error Analysis – Comprehensive Example/Intro. To Statement of Cash Flows | E22-23, P22-10, CA22-1              | Read Chapter 23 |
| 11/19       | <b>Examination #3</b> (Chapters 20-22)  |                                     |                 |
| 11/21-11/25 | <b>Thanksgiving Recess – No Classes</b>   |                                     |                 |
| 11/26       | Review Exam/Statement of Cash Flows - Purpose   | E23-1, E23-16, CA23-1               |                 |
| 11/28       | Statement of Cash Flows – Direct Method   | E23-4, E23-75, E23-7, P23-3, CA23-4 |                 |
| 11/30       | Statement of Cash Flows – Indirect Method   | E23-3, E23-6, P23-1, P23-5          |                 |
| 12/3        | Statement of Cash Flows - Disclosures   | E23-21, P23-6, CA23-6               | Read Chapter 24 |
| 12/5        | Financial Reporting – Various   | E24-1, E24-4, P24-1, CA24-2, CA24-4 |                 |
| 12/7        | Financial Reporting – Ratios  | E24-4, P24-4, CA24-6, CA24-13       |                 |
| 12/10       | <b>Study Day</b>  |                                     |                 |
| 12/15       | <b>Final Examination</b> (50% Chapters 23 & 24; 50% Comprehensive) – 1:00 to 2:50 PM        |                                     |                 |

ON-LINE COURSE EVALUATION SYSTEM  
 INSTRUCTIONS FOR STUDENTS  
 Spring, 2007

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|--|--|
| <p>Last week of instruction</p>        | <p>During the last week of instruction, you will have access to WebCT for the purpose of evaluating your courses.</p> <p>To access the system, complete the following:</p> <ol style="list-style-type: none"> <li>a. On the Internet, go to SUU's Homepage (<b>suu.edu</b>)</li> <li>b. Choose <b>Current Students</b></li> <li>c. Choose <b>WebCT</b></li> <li>d. Log in with your <b>Username</b> and <b>Password</b> exactly as you do in the campus computer labs. If you don't know your Username or Password, click on the choices on this screen that will give them to you.</li> <li>e. You will see a list of courses, with <b>Course Evaluation</b> in each title.</li> <li>f. Click on the course you wish to evaluate.</li> <li>g. You will see a list of FAQ and two icons on the homepage: <b>Continue to evaluation</b> and <b>Tutorial</b>.       <ol style="list-style-type: none"> <li>i. If you choose <b>Tutorial</b>, you will see a timed set of slides that show you exactly how to complete the evaluation. This takes about 3 minutes to view. Upon completion, close the window.</li> <li>ii. If you choose <b>Continue to evaluation</b>, you will see the following:           <ol style="list-style-type: none"> <li>a. A "Quizzes and Surveys" page which has the option, <b>Evaluate Course</b>. Click <b>Evaluate Course</b>.</li> <li>b. A Survey Introduction page, which has the button, <b>Begin Survey</b>. Click <b>Begin Survey</b>.</li> <li>c. A new window with the survey. For each item, <b>click your response</b> and click <b>Save answer</b>.</li> <li>d. After you enter comments for #18 and click <b>Save answer</b>, click <b>Finish</b>.</li> <li>e. You will be asked if you want to <b>Submit Survey</b>. Click <b>OK</b>.</li> <li>f. To evaluate another course, click <b>MyWebCT</b>, in the red band at the top of the screen.</li> <li>g. OR</li> <li>h. To exit WebCT, click <b>Log Out</b>, in the red band at the top of the screen.</li> </ol> </li> </ol> </li> </ol> <p style="text-align: center;"><i>Thank You</i></p> |
| <p>After completion of the process</p> | <p>If you had problems completing the evaluation, report them to Judy Higbee (higbee@suu.edu). Please do this in writing so the system may be revised.</p>   |