

ACC202 Intermediate Accounting II FALL 2008

Course Information

Organization	Mercer County Community College
Credits	4
Contact Hours	4

Description

A continuation of ACC201. Topics covered include: investments, liabilities, leases, income taxes, pension, earnings per share and error correction.

Core Abilities

- A. Define the GAAP that relate to financial accounting.
- B. Discuss the theory that supports GAAP.
- C. Describe the role of accounting in a management information system.
- D. Explain the role of the accountant as part of the management team of an organization.

General Education Outcomes

- A. 1.4 Students will logically and persuasively state and support orally and in writing their points of view or findings.
- B. 3.1 Students will identify a problem and analyze it in terms of its significant parts and the information needed to solve it.
- C. 3.2 Students will use appropriate library tools such as cataloging systems to access information in reference publications, periodicals, bibliographies and databases.
- D. 3.3 Students will use computers to access, analyze or present information, solve problems, and communicate with others.
- E. 4.1 Students will identify ethical implications of an issue or situation.
- F. 4.2 Students will analyze and evaluate the strengths and weaknesses of different perspectives on an ethical issue or a situation.
- G. 5.1 Students will translate quantifiable problems into mathematical terms and solve these problems using mathematical or statistical procedures.

Competencies

- 1. **Discuss the investment opportunities that management considers during cash management - Chapter Twelve**
 - Learning Objectives
 - a. Explain how to identify and account for investments classified as: held to maturity, available for sale, and trading securities.
 - b. Explain what constitutes significant influence by the investor over operating and financial policies of the investee.
 - c. Describe the way investments are recorded and reported by the equity method.

2. **Describe current liabilities and contingencies - Chapter Thirteen**

Learning Objectives

- a. Define liabilities and distinguish between current and long-term liabilities.
- b. Account for the issuance and payment of notes payable.
- c. Characterize and account for accrued liabilities.
- d. Identify situations that constitute contingencies and the circumstances under which they should be accrued.
- e. Describe the accounting treatment for contingencies.

3. **Explain the accounting for long-term debt. - Chapter Fourteen**

Learning Objectives

- a. Identify the characteristics of debt instruments and describe the basic approach to accounting for debt.
- b. Account for bonds issued at par, at a discount, and at a premium using the effective-method and the straight-line method of amortization.
- c. Characterize the accounting treatment of installment notes.
- d. Describe the disclosures appropriate to long-term debt
- e. Record the early extinguishment of debt and its conversion into equity securities.

4. **Define and account for leases - Chapter Fifteen**

Learning Objectives

- a. Describe the operational, financial, and tax objectives that motivate leasing.
- b. Explain the basis for each of the criteria and conditions used to classify leases.
- c. Record transactions associated with operating leases, nonoperating leases, sales-type leases.
- d. Describe the way a bargain purchase option affects lease accounting.

5. **Describe the accounting treatment for income taxes - Chapter Sixteen**

Learning Objectives

- a. Describe the types of temporary differences that cause deferred tax liabilities and determine the amounts needed to record periodic income taxes.
- b. Identify and describe the types of temporary differences that cause deferred tax assets.
- c. Describe how and when an operating loss carryforward and an operating loss carryback are recognized in the financial statements.
- d. Explain intraperiod tax allocation.

6. **Discuss pension accounting and other post-retirement benefits of employees - Chapter Seventeen**

Learning Objectives

- a. Explain the fundamental differences between a defined contribution pension plan and a defined benefit pension plan.
- b. Define: vested benefit obligation, accumulated benefit obligation, and projected benefit obligation.
- c. Describe the five events that might change the balance of the PBO.
- d. Explain how plan assets accumulate to provide retirees benefits and the role of the trustee in administering the fund.
- e. Define pension expense.
- f. Describe the nature of postretirement benefit plans.
- g. Measure and explain how postretirement benefits obligations change.
- h. Determine the components of postretirement benefit expense.

7. **Define and calculate shareholder's equity - Chapter Eighteen**

Learning Objectives

- a. Describe the components of shareholders' equity and explain how they are reported.
- b. Prepare a statement of shareholders' equity and explain its usefulness.
- c. Record the issuance of shares of stock.
- d. Describe what occurs when shares are retired and how the retirement is recorded.
- e. Distinguish between the accounting for retired shares and for treasury shares.
- f. Describe retained earnings and distinguish it from paid in capital.
- g. Explain the basis of corporate dividends and stock splits.
- h. Describe comprehensive income and its components.

8. **Explain the importance of and calculate earnings per share - Chapter Nineteen**

Learning Objectives

- a. Distinguish between a simple and a complex capital structure.
- b. Calculate the weighted average number of common shares and describe what this calculation represents.
- c. Describe how the following will affect EPS: new stock issues, stock dividend, stock split, Treasury Stock.
- d. Calculate earnings per share in a simple and a complex capital structure.
- e. Describe the financial statement presentation of EPS.
- f. Explain and implement the accounting for: stock award plans, stock options, stock appreciation rights, employee share purchase plans.

9. **Differentiate and explain how to account for accounting changes and error corrections - Chapter Twenty**

Learning Objectives

- a. Differentiate among the three types of accounting changes and distinguish between retrospective and prospective approaches in accounting.
- b. Explain and apply the four-step process of correcting and reporting errors, regardless of the type of error or the timing of its discovery.

10. **Describe and prepare the statement of cash flows - Chapter Twenty-one**

Learning Objectives

- a. Explain the usefulness of cash flow information and the purpose of the statement of cash flows.
- b. Define cash equivalents.
- c. Summarize the evolution of the statement of cash flows.
- d. Distinguish among operating, investing, and financing activities.
- e. Identify transactions that represent noncash investing and operating activities.
- f. Prepare a statement of cash flows.

Grading Information

Grading Scale

Tests	80%
Cases	15%
Class Work & Quizzes	5%

Guidelines for Success

THINGS TO KNOW AND REMEMBER

ATTENDANCE: Students are expected to attend all class meetings. In addition, students may be required to allow additional time to take tests in the college's testing center.

TESTS: Students are expected to take all tests at the time the tests are scheduled. Unless there are verifiable extenuating circumstances, approved by the instructor, no student will be allowed to make-up any missed test. Any missed test will result in a zero grade. All tests will be graded by the instructor.

QUIZZES, HOMEWORK, PROJECTS: Unannounced quizzes may be given during class time. **NO MAKE-UP** is allowed on a quiz. Out-of-class assignments must be completed and turned in on the date designated by the instructor. All projects must be typed and double-spaced. No handwritten assignments will be accepted.

WITHDRAWALS: If a student decides to discontinue attending the course, it is the student's responsibility to follow through and officially withdraw from the course before the withdrawal deadline date. Failure to do this may result in the student receiving an "F" grade for the course. Before withdrawing, discuss your concerns with your instructor.

CLASSROOM CONDUCT: It is students' responsibility to attend all of their classes. If they miss a class meeting for any reason, students are responsible for all content that is covered, for announcements made in their absence, and for acquiring any materials that may have been distributed in class. It is expected that students be on time for all their classes. If students walk into a class after it has begun, it is expected that they choose a seat close to where they entered the room so that they do not disrupt the class meeting.

Students are expected to follow ordinary rules of courtesy during class sessions. Engaging in private, side conversations during class time is distracting to other students and to the instructor. It is not appropriate

to leave the class early without informing the instructor. Unless there is an emergency, leaving class and returning while the class is in session is not acceptable behavior. Disruptive behavior of any type, including sharpening pencils during class while someone is speaking, is not appropriate. Please turn off cell phones before the class begins. The college welcomes all students into an environment that creates a sense of community pride and respect; we are all here to work cooperatively and to learn together.

ACADEMIC INTEGRITY: Academic integrity refers to the total quality of the search for knowledge which a student undertakes. A student will be guilty of violating academic integrity if he/she:

- a. knowingly represents the work of others as his/her own,
- b. uses or obtains unauthorized assistance in the execution of an academic work,
- c. gives fraudulent assistance to another student.