

A702
Intermediate Financial Accounting II
Winter 2020 Course Outline

Accounting and Financial Management Services Area
DeGroote School of Business
McMaster University

COURSE DESCRIPTION

This course explores the issues of accounting measurement and financial reporting introduced in A600 and A610 in more depth. Based on establishing theoretical foundations for financial accounting, this course uses problem solving to consider a variety of topics essential to understanding contemporary financial statements and relating the usefulness of accounting information to different constituencies. Topics include an in-depth coverage of financial statements, the reporting and valuation of current and long-term liabilities, shareholders' equity and special accounting issues such as complex financial instruments, leases, income taxes and pension.

INSTRUCTOR AND CONTACT INFORMATION

Class Location: RJC
 Name: Prof. Justin Y. Jin, PhD, CPA, CA
 E-mail: jinjus@mcmaster.ca
 Office: DSB 319
 Tel: (905) 525-9140 Ext: 26194
 Office Hours: To be arranged
 Course Website: <http://avenue.mcmaster.ca>

COURSE ELEMENTS

Credit Value:	3	Leadership:	Yes	IT skills:	No	Global view:	Yes
Avenue:	Yes	Ethics:	No	Numeracy:	Yes	Written skills:	No
Participation:	Yes	Innovation:	Yes	Group work:	Yes	Oral skills:	Yes
Evidence-based:	Yes	Experiential:	No	Final Exam:	Yes	Guest speaker(s):	No

COURSE DESCRIPTION

This course is taught primarily through lectures and in-class problem solving, but also includes readings, and guest speakers. The course deals with the Liabilities and Share Holder's Equity

portion of the Balance Sheet. Students will learn how to recognize, measure and present liabilities and their effect on the related accounts and financial statements.

Prerequisite:

It is assumed that all students have a basic knowledge of accounting principles comparable to the materials covered in A611/12 (Financial Accounting). If you do not, you should catch up as quickly as possible. (You may choose to review Appendix 1-A, pp. 35-55, in the first reference text.)

LEARNING OUTCOMES

Upon completion of this course, students will be able to complete the following key tasks:

- Define liabilities and identify how they are measured
- Account for cases of unearned revenue such as loyalty programs and product warranties
- Account for contingencies and uncertain commitments
- Value and measure long-term debt instruments
- Account for common and preferred share issuances
- Account for derivative and hedging instruments
- Identify and apply the presentation and disclosure requirements for income taxes
- Account for pensions and benefit plans
- Classify and account for the different lease types
- Identify differences in accounting standards for private enterprises and IFRS

REQUIRED COURSE MATERIALS AND READINGS

Avenue registration for course content, readings and case materials

<http://avenue.mcmaster.ca>

Intermediate Financial Accounting, Volume Two. 11th Canadian Edition. Kieso, Weygandt, Warfield, Young, Wiecek and McConomy. Wiley, 2016

Please buy a HARDCOVER or Loose Leaf Book. Do Not buy an E-Book.

EVALUATION

Exams: There will be two examinations. The midterm exam and final exam are close-book exams. The final exam is **non-cumulative**.

- Group Project Reports: Details of this case report to be distributed.
- Class Participation/Contribution: Students are responsible for all materials covered and readings assigned. Be prepared to answer certain questions that had been emphasized in prior classes or from the reading assignments.

Group evaluation

Your individual mark for group work will be based on a combination of:

- The mark assigned to the group's hand-in cases and term project;
- Your contribution to the group work as evaluated by your peers and yourself. You will be given the opportunity to make your **confidential** peer evaluation in writing.

Participation

You are expected to be prepared for each class by reading the assigned material and be a willing participant in discussions.

Midterm exam

This will be close-book, short answer and problem oriented exam on all topics covered prior to the exam date. It is likely that part of this exam will involve finding and developing information from an annual report. If you cannot take the exam at the scheduled time, you must have a doctor's notes.

Components and Weights

Class participation (individual)	10%
Group case report (Group)	10%
Midterm Exam (individual)	40%
Final exam (individual)	40%
Total	100%

NOTE: The use of a McMaster standard calculator is allowed during examinations in this course. See McMaster calculator policy at the following URL:

<http://www.mcmaster.ca/policy/Students-AcademicStudies/examinationindex.html>

Grade Conversion

At the end of the course your overall percentage grade will be converted to your letter grade in accordance with the following conversion scheme.

LETTER GRADE	PERCENT	POINTS
A+	90 - 100	12
A	85 - 89	11
A-	80 - 84	10
B+	75 - 79	9
B	70 - 74	8
B-	60 - 69	7
F	00 - 59	0

Communication and Feedback

Students that are uncomfortable in directly approaching an instructor regarding a course concern may send a confidential and anonymous email to the respective Area Chair or Associate Dean:

<http://mbastudent.degroote.mcmaster.ca/contact/anonymous/>

Students who wish to correspond with instructors or TAs directly via email must send messages that originate from their official McMaster University email account. This protects the confidentiality and sensitivity of information as well as confirms the identity of the student. Emails regarding course issues should NOT be sent to the Administrative Assistant.

Instructors are encouraged to conduct an informal course review with students by Week #4 to allow time for modifications in curriculum delivery. Instructors should provide evaluation feedback for at least 10% of the final grade to students prior to Week #8 in the term.

ACADEMIC DISHONESTY

It is the student's responsibility to understand what constitutes academic dishonesty. Please refer to the University Senate Academic Integrity Policy at the following URL:

<http://www.mcmaster.ca/policy/Students-AcademicStudies/AcademicIntegrity.pdf>

This policy describes the responsibilities, procedures, and guidelines for students and faculty should a case of academic dishonesty arise. Academic dishonesty is defined as to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. Please refer to the policy for a list of examples. The policy also provides faculty with procedures to follow in cases of academic dishonesty as well as general guidelines for penalties. For further information related to the policy, please refer to the Office of Academic Integrity at:

<http://www.mcmaster.ca/academicintegrity>

MISSED ACADEMIC WORK

Missed Mid-Term Examinations / Tests / Class Participation

Where students miss a regularly scheduled mid-term or class participation for legitimate reasons as determined by the MBA Academic Services Office, the weight for that test/participation will be distributed across other evaluative components of the course at the discretion of the instructor. Documentation explaining such an absence must be provided to the MBA Academic Services Office within five (5) working days upon returning to school.

To document absences for health related reasons, please provide the Petition for Relief for MBA Missed Term Work and the McMaster University Student Health Certificate which can be found on the DeGroote website at <http://mbastudent.degroote.mcmaster.ca/forms-and-applications/>. Please do not use the online McMaster Student Absence Form as this is for Undergraduate students only. University policy states that a student may submit a maximum of three (3) medical certificates per year after which the student must meet with the Director of the program.

To document absences for reasons other than health related, please provide the Petition for Relief for MBA Missed Term Work and documentation supporting the reason for the absence. Students unable to write a mid-term at the posted exam time due to the following reasons: religious; work-

related (for part-time students only); representing university at an academic or varsity athletic event; conflicts between two overlapping scheduled mid-term exams; or other extenuating circumstances, have the option of applying for special exam arrangements. Such requests must be made to the MBA Academic Services Office at least ten (10) working days before the scheduled exam along with acceptable documentation. Instructors cannot themselves allow students to unofficially write make-up exams/tests. Adjudication of the request must be handled by the MBA Academic Services Office.

If a mid-term exam is missed without a valid reason, students will receive a grade of zero (0) for that component.

STUDENT ACCESSIBILITY SERVICES

Student Accessibility Services (SAS) offers various support services for students with disabilities. Students are required to inform SAS of accommodation needs for examinations on or before the last date for withdrawal from a course without failure (please refer to official university sessional dates). Students must forward a copy of such SAS accommodation to the instructor immediately upon receipt. If a student with a disability chooses NOT to take advantage of an SAS accommodation and chooses to sit for a regular exam, a petition for relief may not be filed after the examination is complete. The SAS website is:

<http://sas.mcmaster.ca>

POTENTIAL MODIFICATIONS TO THE COURSE

The instructor and university reserve the right to modify elements of the course during the term. The university may change the dates and deadlines for any or all courses in extreme circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to check their McMaster email and course websites weekly during the term and to note any changes.

COURSE SCHEDULE

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WEEK	TOPIC	READING
Class 1 Jan. 6-10	Chapter 13 Non-Financial and Current Liabilities	E13-2, E13-3, E13-5, E13-6, E13-12, E13-18, E13-21
Class 2 Jan. 13-17	Chapter 13 and 14 Non-Financial and Current Liabilities Long-Term Financial Liabilities	E14-1, E14-2, E14-4, E14-5, E14-6, E14-11, E14-13, E14-20
Class 3 Jan. 20-24	Chapters 14 and 15 Long-Term Financial Liabilities Shareholders' Equity	E15-1, E15-2, E15-3, E15-5, E15-7, E15-11, E15-12
Class 4 Jan. 27-31	Chapters 15 Shareholders' Equity	E15-1, E15-2, E15-3, E15-5, E15-7, E15-11, E15-12
Class 5 Feb. 3-7	Chapter 16 Complex Financial Instruments	E16-2, E16-3, E16-4, E16-5, E16-7, E16-9, E16-10, E16-12, E16-13, E16-18, E16-19, E16-20.
Class 6 Feb. 10-14	Chapter 17 Earnings Per Share	E17-2, E17-4, E17-6, E17-8, E17-10, E17-12, E17-14, E17-15, P17-7.
Class 7 Feb. 17-21	Midterm recesses	(no classes)

WEEK	TOPIC	READING
Class 8 Feb. 24-28	Midterm Exam (Close-Book)	Covers Chapters 13, 14, 15, 16, 17
Class 9 March 2-6	Chapter 18 Income Taxes	E18-3, E18-6, E18-7, E18-8, E18-9, E18-10, E18-11, E18-12, E18-15, E18-16, E18-20.
Class 10 March 9-13	Chapter 18 Income Taxes	E18-3, E18-6, E18-7, E18-8, E18-9, E18-10, E18-11, E18-12, E18-15, E18-16, E18-20.
Class 11 March 16-20	Chapters 19 Pensions and Other Employee Future Benefits	E19-1, E19-2, E19-3, E19-4, E19-7, E19-8, E19-10, E19-11, E19-12.
Class 12 March 23-27	Chapter 20 Leases	E20-3, E20-4, E20-5, E20-6, E20-7, E20-9, E20-10, E20-11, E20-12, E20-14.
Class 13 March 30-April 3	Chapter 20 Leases	E20-3, E20-4, E20-5, E20-6, E20-7, E20-9, E20-10, E20-11, E20-12, E20-14.
Class 14 April 6-April 8	Final Exam Review	
April 9	Classes End	
	Final Exam (TBD) (Close-Book Exam)	

Group Evaluation Form

You are asked to evaluate the effort of your team members throughout the semester. You have 100 points assign amongst the other members in your group. If you believe everyone put in more or less equal effort, you can assign 100 points to your group members (Group member names should exclude yourself). Otherwise, if you believe some people put in more (or less) effort than others, you can assign that group member more (or less) than 100 points. If you choose to assign non-equal points (more than 100 or less than 100) to each member, please explain why you assign more/less points to each member. In this group evaluation form, you only evaluate other group members; you don't evaluate yourself.

Your Name: _____

Student ID: _____

Group Member Name	Points Assigned	Reasons for Assigning Non-Equal Points

This report should be submitted individually on the last day of the class.