

**Commerce 3AC3
Financial Accounting III
Summer 2016 Course Outline**

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

COURSE OBJECTIVE

This course teaches how to prepare financial statements and/or analyze financial information. This course focuses on understanding and application of both generally accepted accounting principles under both IFRS (International Financial Reporting Standards) and ASPE (Accounting Standards for Private Enterprises).

INSTRUCTOR AND CONTACT INFORMATION

Instructor 1:

Yi Liu

Instructor

liu377@mcmaster.ca

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Office Hours: TBA

Tel: (905) 525-9140 x26195

Instructor 2:

Muhammad M. Kabir

Instructor

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Office: DSB 231

Office Hours: TBA

Tel: (905) 525-9140 x26195

Class Time and Location:

Class	Days & Times	Room	Class Dates
C01	Mon, Wed 2:00 PM - 5:00 PM	KTH 104	Jun 20, 2016 - Aug 5, 2016

Course Website: <http://ug.degroote.mcmaster.ca/descriptions/3ac3/>

COURSE ELEMENTS

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

COURSE DESCRIPTION

This course explores the issues of accounting measurement and financial reporting introduced in 2AA3 in more depth. It uses case analysis and problem solving to consider a variety of topics essential to understanding contemporary financial statements. The emphasis will be on the recognition and measurement of liabilities and equity and the related impact on income measurement.

LEARNING OUTCOMES

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

- Understand the basic principles underlying the accounting and reporting for many common current liabilities and for a variety of non-financial liabilities;
- Explain the accounting issues that are related to long-term debt and financial liabilities;
- Understand the various accounting issues for different types of shares or equity instruments that corporations issue to raise funds in capital markets;
- Identify complex financial instruments, such as hybrid and compound debt and equity instruments and derivatives;
- Describe how basic and diluted earnings per share figures are calculated and what information they contain;
- Discuss the basic standards that both publicly accountable and private enterprises must follow in reporting income taxes;
- Identify and account for a defined benefit plan;
- Understand the accounting issues related to lease arrangements;
- Explain alternative methods of accounting for accounting changes.

REQUIRED COURSE MATERIALS AND READINGS

Intermediate Accounting **10th Canadian Edition**, Volume 2

[Donald E. Kieso](#), [Jerry J. Weygandt](#), [Terry D. Warfield](#), [Nicola M. Young](#), [Irene M. Wiecek](#), [Bruce J. McConomy](#)

May 2013, ©2014

<http://ca.wiley.com/WileyCDA/WileyTitle/productCd-EHEP002728.html>

CICA Handbook/Exposure Draft material (available in Innis library)

EVALUATION

Exams: We will have one Mid-Term Test, quizzes and a Final Examination (TBA). Exam scope is to be determined. Detailed time and location is listed in course schedule section.

Components and Weights

Mid-Term Test (individual)	40%
Quizzes (individual)	10%
Final Exam (individual)	50%
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/UndergraduateExaminationsPolicy.pdf>

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	LETTER GRADE	PERCENT
A+	90 - 100	C+	67 - 69
A	85 - 89	C	63 - 66
A-	80 - 84	C-	60 - 62
B+	77 - 79	D+	57 - 59
B	73 - 76	D	53 - 56
B-	70 - 72	D-	50 - 52
		F	00 - 49

Communication and Feedback

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 Area Administrative Assistants.

Instructors are required to provide evaluation feedback for at least 10% of the final grade to students prior to Week #8 in the term.

Instructors may conduct an informal course review with students by Week #4 to allow time for modifications in curriculum delivery.

Students who wish to have a course component re-evaluated must complete the following form:

http://www.mcmaster.ca/policy/Students-AcademicStudies/Form_A.pdf

In order for the component to be re-read:

- the component must be worth 10% or more of the final grade in the course
- students pay a fee of \$50 in Gilmour Hall #209 and the receipt is then brought to Student Experience - Academic Office (formerly the APO) in DSB 104
- the Area Chair will seek out an independent adjudicator to re-grade the component
- an adjustment to the grade for the component will be made if a grade change of three points or greater on the 12 point scale (equivalent to 10 marks out of 100) has been suggested by the adjudicator as assigned by the Area Chair
- if a grade change is made, the student fee will be refunded

Quizzes

Quizzes will cover material from the text book, readings, lectures and class discussion. The quizzes will be held randomly. The quizzes are likely to have multiple choice questions and/or exercises. They are **close-book** quizzes. No study aids are allowed. The use of a McMaster standard calculator is allowed.

Mid-Term Test

The test will cover material from the text book, readings, lectures and class discussion. Campus map is here: <http://parking.mcmaster.ca/June25UpdatedMapWithAutomation.PDF>

The test is likely to have multiple choice questions and problems. This is a **close-book** test. No study aids are allowed. The use of a McMaster standard calculator is allowed.

Final Examination

The final examination will be non-cumulative. It will cover material from the text book, readings, lectures and class discussion. This is a **close-book** examination. No study aids are allowed. The use of a McMaster standard calculator is allowed.

ACADEMIC DISHONESTY

You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity.

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: “Grade of F assigned for academic dishonesty”), and/or suspension or expulsion from the university.

It is your responsibility to understand what constitutes academic dishonesty. For information on the various types of academic dishonesty please refer to the Academic Integrity Policy, located at;

www.mcmaster.ca/academicintegrity

The following illustrates only three forms of academic dishonesty:

1. Plagiarism, e.g. the submission of work that is not one's own or for which other credit has been obtained.
2. Improper collaboration in group work.
3. Copying or using unauthorized aids in tests and examinations

REQUESTING RELIEF FOR MISSED ACADEMIC WORK

1. Students may request relief from a regularly scheduled midterm, test, assignment or other course component in the following ways:

- a) **for absences from classes lasting up to three (3) days; or**
- b) **for absences from classes lasting more than three (3) days.**
- c) **for conflicts arising from Student Experience - Academic Office approved events**

a) For absences from classes lasting up to three (3) days

Students must use the MSAF (McMaster Student Absence Form). This is an on-line, self-reporting tool, for which submission of medical or other types of supporting documentation is normally not required. Students may use this tool to submit a maximum of one (1) request for relief of missed academic work per term as long as the weighting of the component is worth less than **25%** of the course weight. Students must follow up with their course instructors regarding the nature of the relief within two days of submitting the form. Failure to do so may negate the opportunity for relief. It is the prerogative of the instructor of the course to determine the appropriate relief for missed term work in his/her course. Details are described below.

If the value of the component is worth **25%** or more, students must report to their Faculty Office (the Student Experience – Academic Office for Commerce students) to discuss their situation and will be required to provide appropriate supporting documentation.

Please visit the following page for more information about MSAF:

http://academiccalendars.romcmaster.ca/content.php?catoid=13&navoid=2208#Requests_for_Relief_for_Missed_Academic_Term_Work

b) For absences from classes lasting more than three (3) days

Students cannot use the MSAF. They **MUST** report to their Faculty Office (the Student Experience – Academic Office for Commerce students) to discuss their situation and will be required to provide appropriate supporting documentation.

Students who wish to submit more than one request for relief of missed academic work per term cannot use the MSAF. They must report to the Student Experience – Academic Office and discuss their situation with an academic advisor. They will be required to provide supporting documentation and possibly meet with the Manager

c) For conflicts arising from Faculty Office approved events

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. Please see the DeGroote Missed Course Work Policy for a list of conflicts that qualify for academic accommodation

<http://ug.degroote.mcmaster.ca/forms-and-resources/missed-course-work-policy/>

Such requests must be made to the Student Experience – Academic Office at least ten (10) working days before the scheduled exam along with acceptable documentation.

Non-Commerce students must submit their documentation to their own Faculty Office and then alert the Student Experience – Academic Office of their interest in an alternate sitting of the midterm.

Adjudication of all requests must be handled by the Student Experience – Academic Office. Instructors cannot allow students to unofficially write make-up exams/tests.

The MSAF cannot be used during any final examination period.

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

POLICY FOR APPROVED MISSED ACADEMIC WORK

Students who cannot write a test, and have advanced knowledge and permission as described above, will be given the opportunity to write an alternate version of the test and an alternate time.

Students who did not write a test, and subsequently provide an MSAF submission, or documentation for which they have been approved by the Student Experience – Academic Office, will have the weight of the missed work reallocated across other course components. The student must follow up with the instructor to understand this process and decision.

Students who submit an MSAF, or have been approved by the Student Experience – Academic Office, for an assignment deadline, will be given an extension of 3 days for the assignment. Please note, the student will ultimately be required to submit the assignment.

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 course work at the outset of term. Students who require academic accommodation must contact Student Accessibility Services (SAS) to make arrangements with a Program Coordinator. Academic accommodations must be arranged for each term of study. Student Accessibility Services can be contacted by phone 905-525-9140 ext. 28652 or e-mail sas@mcmaster.ca

For further information, consult McMaster University's Policy for Academic Accommodation of Students with Disabilities;

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

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	DATE	CHAPTER	TOPIC
1	Mon, June 20	Chapter 13	Non-Financial and Current Liabilities
	Wed, June 22	Chapter 13	Non-Financial and Current Liabilities
2	Mon, June 27	Chapters 14	Long-Term Financial Liabilities
	Wed, June 29	Chapters 15	Shareholders' Equity
3	Mon, July 4	Chapters 16	Complex Financial Instruments
	Wed, July 6	Chapters 16	Complex Financial Instruments
4	Mon, July 11	Chapter 17	Earnings Per Share
	Wed, July 13		Mid-term (In-class, Three hours)
5	Mon, July 18	Chapter 18	Income Taxes
	Wed, July 20	Chapter 18	Income Taxes
6	Mon, July 25	Chapters 19	Pensions and Other Employee Future Benefits
	Wed, July 27	Chapter 20	Leases
7	Mon, August 1	Chapter 20	Accounting Changes and Error Analysis
	Wed, August 3		Final Exam (In-class, Three hours)