

**Commerce 3AB3
Intermediate Financial Accounting I**

Spring 2020 Course Outline

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

COURSE OBJECTIVES

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

INSTRUCTORS AND CONTACT INFORMATION

INSTRUCTOR

Yvonne S. F. Kwok, CPA, CA
Email: kwokyv@mcmaster.ca

Class times:
Tuesdays and Thursdays: 6:30 pm to 9:30 pm

TEACHING ASSISTANT

- TBD

COURSE ELEMENTS

Credit Value:	3	Leadership:	Yes	Global View:	Yes	IT Skill:	Yes
Avenue:	Yes	Numeracy:	Yes	Written Skill:	Yes	Ethics:	Yes
Participation:	Yes	Innovation:	Yes	Group Work:	No	Oral Skill:	Yes
Evidence-Based:	Yes	Experiential:	No	Final Exam:	Yes	Guest Speaker:	No

COURSE DESCRIPTION

This course explores the issues of accounting measurement and financial reporting introduced in 1AA3 in more depth. Students undertake an in-depth analysis of the asset side of the balance sheet. Key elements of this course include understanding and application of financial reporting standards in accordance with generally accepted accounting principles (GAAP) in the areas of cash, temporary investments, receivables, inventories, long-term investments, and capital assets. Also discussed are the accounting concepts underlying GAAP, with particular emphasis on the revenue recognition principle, as well as an introduction to some of the accounting issues underlying the form and content of the primary financial statements: statement of income and comprehensive income, balance sheet, statement of changes in equity, and the statement of cash flows and notes to the financial statements.

LEARNING OUTCOMES

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

- Understanding of generally accepted accounting principles (GAAP) including integration into IFRS and ASPE and how to apply them.
- Explain the application of the basic principles of accounting.
- Apply appropriate revenue recognition method to different situations.
- Explain accounting issues related to the recognition, valuation, and disposition of accounts receivable.
- Distinguish between the perpetual and periodic inventory systems.
- Identify items that should be included as inventory cost.
- Demonstrate the application of lower of cost and market.
- Apply the appropriate accounting treatment for short-term and long-term investments.
- Identify the acquisition costs of land, buildings, and equipment.
- Apply the various methods of amortization.
- Prepare financial statement disclosures for capital assets and their related amortization.
- Explain the accounting issues related to asset impairment.
- Describe the characteristics of intangible assets.
- Apply the procedure for valuing and amortizing intangible assets.

REQUIRED COURSE MATERIALS AND READINGS

- 1) **Hardcopy Resources:** Intermediate Accounting 12th Canadian Edition Binder Ready version
Volume 1 with WileyPLUS LMS Card
Binder Ready Version
Kieso
9781119324164

OR

Hardcover:  Intermediate Accounting 12th Canadian Edition Volume 1 with WileyPLUS
LMS Card
Kieso
9781119305583

Digital Resources: Visit Campus eBookstore for ordering digital content in the same safe and secure platform. Where possible, Campus eBookstore have sourced and provided links to digital resources not available through their platform so that students can access them elsewhere.

You must register yourself as a student of my class:

WileyPLUS URL: COMM3AB3 – Kwok – Summer '20: www.wileyplus.com/class/765606

- 2) CPA Canada Handbook

- 3) Avenue registration for course content, readings and case materials
<http://avenue.mcmaster.ca>

CONDUCT OF CLASSES AND GENERAL APPROACH

A combination of lecture, technical problem solving, case studies, and classroom discussion will be used in a virtual setting. Classes will be used to introduce, explain and otherwise clarify new topics and issues. This will be done using examples and/or problems and cases from the textbook. Class lectures are in addition to the textbook. Not all problems and cases will be covered in class. It is of utmost importance that students have access to textbook at every lecture. Other problems will also be introduced in class from time to time. Solutions to short questions, multiple choice questions and problems will be provided, however, students are encouraged to discuss any other problems they have done with the lecturer as well.

Students are expected to be up to date with all topics covered up to and including the previous class.

The following points are of the utmost importance for success in this course:

- You must keep up to date with the topics in this course. Each topic builds on previous topics. If you fall behind and do not understand a previous topic, you will struggle with the other topics.
- Do as many of the exercises and problems at the end of each chapter in addition to the suggested practice questions under the Course Schedule section of this outline. Do this only once you have read the chapter thoroughly.

Courtesy

Courtesy in the classroom is crucial to an effective learning environment. In recent semesters many faculty members have observed what they consider discourteous, disturbing or disruptive behaviour. It is therefore requested that the following be observed:

- Please sign in on time.
- Please have webcam turned on.
- Please dress appropriately for class.
- Please mute your microphone when you are not speaking.
- Please stay for the full duration of the class.

EVALUATION

Class Participation: Top Hat is used to assess student learning remotely. Classes are more interesting and intellectually stimulating if there is participation from everyone. In order for you to gain maximum benefit from discussions, it is essential that you complete assigned text material and/or readings in advance, as well as attempt assigned problems. Therefore class participation marks will be awarded on the basis of each student's contribution to discussions, and relevant questions and comments during lectures. Class participation is not equivalent to class attendance. Specifically, students who fail to participate in class discussions will receive a class participation mark of zero, regardless of regular class attendance (a separate component). Students unable to attend class should inform the instructor before class of the conflict.

- Missed tests/exams will receive a grade of zero unless the student has submitted and been approved for a Notification of Absence or MSAF. Your final grade will be calculated as follows:

Components and Weights

Midterm	35%
Readings and On-line Assignments	10%
Cumulative Final Examination	35%
Group Cases	10%
Participation	10%*
Total	100%

* Top Hat Platform

We will be using the Top Hat (www.tophat.com) classroom response system in class for enhanced learning experience. You will be able to submit answers to in-class questions using Apple or Android smartphones and tablets, laptops, or through text message.

You can visit the Top Hat Overview (<https://success.tophat.com/s/article/Student-Top-Hat-Overview-and-Getting-Started-Guide>) within the Top Hat Success Center which outlines how you will register for a Top Hat account, as well as providing a brief overview to get you up and running on the system.

An email invitation will be sent to you by email, but if don't receive this email, you can register by simply visiting our course website: <https://app.tophat.com/e/224100>

Note: our Course Join Code is 224100

Should you require assistance with Top Hat at any time, due to the fact that they require specific user information to troubleshoot these issues, please contact their Support Team directly by way of email (support@tophat.com), the in app support button, or by calling 1-888-663-5491.

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

<https://registrar.mcmaster.ca/exams-grades/exam>

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 #9 in the term. Instructors may solicit feedback via an informal course review with students by Week #4 to allow time for modifications in curriculum delivery.

ACADEMIC INTEGRITY

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

AUTHENTICITY/PLAGIARISM DETECTION

In this course we will be using a web-based service (Turnitin.com) to reveal authenticity and ownership of student submitted work. Students will be expected to submit their work electronically either directly to Turnitin.com or via Avenue to Learn (A2L) plagiarism detection (a service supported by Turnitin.com) so can be checked for academic dishonesty. Students who do not wish to submit their work through A2L and/or Turnitin.com must still submit an electronic and/or hardcopy to the instructor. No penalty will be assigned to a student who does not submit work to Turnitin.com or A2L. All submitted work is subject to normal verification that standards of academic integrity have been upheld (e.g., on-line search, other software, etc.). To see the Turnitin.com Policy, please go to;

www.mcmaster.ca/academicintegrity.

REQUESTING RELIEF FOR MISSED ACADEMIC WORK

Students may request relief from a regularly scheduled midterm, test, assignment or other course

components. Please refer to the policy and procedure on the DeGroot website at the link below;

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

STUDENT ACCESSIBILITY SERVICES

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>

ACADEMIC ACCOMMODATION FOR RELIGIOUS, INDIGENOUS OR SPIRITUAL OBSERVANCES (RISO)

Students requiring academic accommodation based on religious, indigenous or spiritual observances should follow the procedures set out in the RISO policy. Students requiring a RISO accommodation should submit their request, including the dates/times needing to be accommodated and the courses which will be impacted, to their Faculty Office normally within 10 days of the beginning of term or to the Registrar's Office prior to their examinations. Students should also contact their instructors as soon as possible to make alternative arrangements for classes, assignments, and tests.

POTENTIAL MODIFICATION TO THE COURSE

The instructor reserves the right to modify elements of the course during the term. There may be changes to 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.

DETAILS FOR ONLINE COMPONENT

In this course we will be using WileyPlus. Students should be aware that, when they access the electronic components of this course, private information such as first and last names, usernames

for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course. The available information is dependent on the technology used. Continuation in this course will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure please discuss this with the course instructor.

ACKNOWLEDGEMENT OF COURSE POLICIES

Your enrolment in Commerce 3AB3 will be considered to be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during lecture and/or on A2L. **It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly.**

Lack of awareness of the course policies **cannot be invoked** at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

COURSE SCHEDULE

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WEEK	TOPIC	READING ASSIGNMENT AND SUGGESTED QUESTIONS
1	Chapters 1 and 2 The Canadian Financial Reporting Environment Conceptual Framework Underlying Financial Reporting	Chapters 1 and 2 E2-4, E2-6 P2-5
1	Appendix C and Chapter 3 The Accounting Information System	Appendix C and Chapter 3 EC-1,EC-2,EC-3,EC-5,EC-6,EC-7,EC-9,EC-11, E3-2
2	Chapter 4 Reporting Financial Performance	Chapter 4 E4-1,E4-2,E4-3,E4-4,E4-9,E4-10,E4-11,E4-15,E4-16
2	Chapter 5 Financial Position and Cash Flows	Chapter 5 E5-1,E5-2,E5-3,E5-4,E5-9,E5-12,E5-15,E5-17, E5-18
3	Chapter 6 Revenue Recognition	Chapter 6 E6-1 to E6-4, E6-6 to E6-8, E6-10, E6-11, E6-14 to E6-17, E6-19, E6-20, E6-24, E6-26, E6-32, E6-34
3	Chapter 7 Cash and Receivables	Chapter 7 E7-1 to E7-7, E7-9, E7-11 to E7-13, E7-17, E7-18, E7-20, E7-22

WEEK	TOPIC	READING ASSIGNMENT AND SUGGESTED QUESTIONS
4	Mid Term	
4	Chapter 8 Inventory: Recognition, Measurement, Valuation and Estimation	Chapter 8 E8-1 to E8-3, E8-5 to E8-9, E8-11, E8-16 to E8-18, E8-23, E8-24
5	Chapter 9 Investments	Chapter 9 E9-1 to E9-7, E9-12, E9-13, E9-16, E9-21 to E9-23, E9-28
5	Chapter 10 Acquisition of Property, Plant, and Equipment	Chapter 10 E10-1, E10-2, E10-6, E10-7, E10-9, E10-10, E10-14, E10-17 to E10-19, E10-21, E10-22, E10-24, E10-25, E10-30, E10-31
6	Chapter 11 Amortization, Impairment, and Disposition	Chapter 11 E11-2 to E11-4, E11-8, E11-14 to E11-16, E11-17 to E11-20, E11-21 to E11-22, E11-27
6	Chapter 12 Goodwill and Other Intangible Assets	Chapter 12 E 12-1 to E12-4, E12-6, E12-8 to E12-16, E12-19
	Final Exam	

NOTE : THE SUGGESTED EXERCISES / PROBLEMS REPRESENT MINIMUM PRACTICE ONLY. STUDENTS ARE STRONGLY ENCOURAGED TO DO FURTHER EXERCISES AND PROBLEMS TO SUPPLEMENT LEARNING AND FULLY APPLY ACCOUNTING CONCEPTS COVERED.

ALL MATERIAL COVERED IN CLASS PRESENTATIONS COULD BE TESTED ON EXAMINATIONS.

ALL PREPARE-FOR-CLASS-DISCUSSION QUESTIONS MAY NOT BE COVERED DUE TO TIME PRESSURES.

THERE MAY BE OTHER ASSIGNED MATERIALS HANDED OUT FROM TIME TO TIME. THESE ARE ALSO PART OF YOUR RESPONSIBILITIES