

**Commerce 3AB3  
Intermediate Financial Accounting I**

**Spring 2024 Course Outline**

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

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***COURSE OBJECTIVES***

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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).

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***INSTRUCTORS AND CONTACT INFORMATION***

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INSTRUCTOR

Zhe (Joyce) Zhang  
Email: [zhanz418@mcmaster.ca](mailto:zhanz418@mcmaster.ca)

Chenwei Sun  
Email: [sunc56@mcmaster.ca](mailto:sunc56@mcmaster.ca)

Class times:  
Tuesdays and Thursdays: 7:00 pm to 10:00 pm

TEACHING ASSISTANT

Tingying Zhou  
Email: [zhout64@mcmaster.ca](mailto:zhout64@mcmaster.ca)

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***COURSE ELEMENTS***

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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:	Yes	Oral Skill:	Yes
Evidence-Based:	Yes	Experiential:	No	Final Exam:	Yes	Guest Speaker:	No

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***COURSE DESCRIPTION***

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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.

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***LEARNING OUTCOMES***

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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 are 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.

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***REQUIRED COURSE MATERIALS AND READINGS***

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- 1) **Hardcopy Resources:** Intermediate Accounting 13<sup>th</sup> Canadian Edition Binder Ready version  
Volume 1 with WileyPLUS LMS Card  
Binder Ready Version  
Kieso

OR

Hardcover: [SEP] Intermediate Accounting 13<sup>th</sup> Canadian Edition Volume 1 with WileyPLUS  
LMS Card  
Kieso

**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.

- 2) CPA Canada Handbook

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

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***CONDUCT OF CLASSES AND GENERAL APPROACH***

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LEARNING ACTIVITIES	DELIVERY	DESCRIPTION	TOOL(S)
Self-study	Asynchronous	Readings, modules, discussions	<b>Textbook / Avenue to Learn</b> On your own time before lectures
Lectures	In-class	Live sessions led by your instructor	<b>Avenue to Learn</b> Weekly during scheduled class time
Tutorials	In-class / Synchronous	Live sessions led by your TAs	<b>In-class</b> Throughout course

EVALUATIONS	WEIGHT	DESCRIPTION
Participation	10%	Engagement in discussions in class
WileyPLUS Assignments	20%	Accounting cycle assignment 10% Weekly assignments based on readings 10%
Case study*	10%	Group project to analyze a case
Midterm	30%	MC and written answers
Final Exam	30%	MC and written answers

**Case study\* - Further details will be available on Avenue**

A combination of lectures, technical problem solving, case studies, and classroom discussions will be used. Lectures 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. Lectures are in addition to the textbook. Not all problems and cases will be covered in class. It is of utmost importance that students bring their textbook to every synchronous 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 instructor 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.
- Make use of the office hours to ask about anything you do not understand. Do not wait until right before the test or exam.
- Participate actively in each and every class.

## *EVALUATION*

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- Class Participation: Names are used to help give credit for your participation. You must display your **full name** in every lecture. Participation in discussion aids in assimilation of concepts and is an essential part of your professional development. 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 and discussions will receive a class participation mark of zero, regardless of regular class attendance. Students unable to attend class should inform the instructor before class of the conflict. Students are responsible for keeping a record of their own participation and for summarizing their contributions after each class.
- Missed tests/exams will receive a grade of zero unless the student has submitted and been approved for a Notification of Absence or MSAF.

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/exams/>

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
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### *COMMUNICATION AND FEEDBACK*

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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. All students must receive feedback regarding their progress prior to the final date by which a student may cancel the course without failure by default.

*For Level 1 and Level 2 courses, this feedback must equal a minimum of 20% of the final grade.*

*For Level 3 courses and above, this feedback must equal a minimum of 10% of the final grade.*

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

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### *ACADEMIC INTEGRITY*

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

<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:

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

The following illustrates only three forms of academic dishonesty:

- plagiarism, e.g. the submission of work that is not one's own or for which other credit has been obtained.
- improper collaboration in group work.
- copying or using unauthorized aids in tests and examinations.

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### *AUTHENTICITY/PLAGIARISM DETECTION*

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*Some courses may* use a web-based service (Turnitin.com) to reveal authenticity and ownership of student submitted work. For courses using such software, students will be expected to submit their work electronically either directly to Turnitin.com or via an online learning platform (e.g. A2L, etc.) using plagiarism detection (a service supported by Turnitin.com) so it can be checked for academic dishonesty.

Students who do not wish their work to be submitted through the plagiarism detection software must inform the Instructor before the assignment is due. No penalty will be assigned to a student who does not submit work to the plagiarism detection software.

**All submitted work is subject to normal verification that standards of academic integrity have been upheld** (e.g., on-line search, other software, etc.). For more details about McMaster's use of Turnitin.com please go to [www.mcmaster.ca/academicintegrity](http://www.mcmaster.ca/academicintegrity).

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### *REQUESTING RELIEF FOR MISSED ACADEMIC WORK*

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In the event of an absence for medical or other reasons, students should review and follow the Academic Regulation in the Undergraduate Calendar "Requests for Relief for Missed Academic Term Work" and the link below;

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

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### *ACADEMIC ACCOMMODATION OF STUDENTS WITH DISABILITIES*

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Students with disabilities who require academic accommodation must contact [Student Accessibility Services](#) (SAS) at 905-525-9140 ext. 28652 or [sas@mcmaster.ca](mailto:sas@mcmaster.ca) to make arrangements with a Program Coordinator. For further information, consult McMaster University's [Academic Accommodation of Students with Disabilities](#) policy.

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

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Students requiring academic accommodation based on religious, indigenous or spiritual observances should follow the procedures set out in the [RISO](#) policy. Students should submit their request to their Faculty Office ***normally within 10 working days*** of the beginning of term in which they anticipate a need for accommodation 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.

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***COPYRIGHT AND RECORDING***

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Students are advised that lectures, demonstrations, performances, and any other course material provided by an instructor include copyright protected works. The Copyright Act and copyright law protect every original literary, dramatic, musical and artistic work, **including lectures** by University instructors.

The recording of lectures, tutorials, or other methods of instruction may occur during a course. Recording may be done by either the instructor for the purpose of authorized distribution, or by a student for the purpose of personal study. Students should be aware that their voice and/or image may be recorded by others during the class. Please speak with the instructor if this is a concern for you.

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***EXTREME CIRCUMSTANCES***

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The University reserves the right to change the dates and deadlines for any or all courses in extreme circumstances (e.g., severe weather, labour disruptions, etc.). Changes will be communicated through regular McMaster communication channels, such as McMaster Daily News, A2L and/or McMaster email.

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***POTENTIAL MODIFICATION TO THE COURSE***

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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.



### *COURSES WITH AN ON-LINE ELEMENT*

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Some courses *may* use on-line elements (e.g. e-mail, Avenue to Learn (A2L), LearnLink, web pages, capa, Moodle, ThinkingCap, etc.). Students should be aware that, when they access the electronic components of a course using these elements, private information such as first and last names, user names 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 a course that uses on-line elements will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure please discuss this with the course instructor.

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### *ONLINE PROCTORING*

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Some courses may use online proctoring software for tests and exams. This software may require students to turn on their video camera, present identification, monitor and record their computer activities, and/or lock/restrict their browser or other applications/software during tests or exams. This software may be required to be installed before the test/exam begins.

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### *CONDUCT EXPECTATIONS*

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As a McMaster student, you have the right to experience, and the responsibility to demonstrate, respectful and dignified interactions within all of our living, learning and working communities. These expectations are described in the [Code of Student Rights & Responsibilities](#) (the “Code”). All students share the responsibility of maintaining a positive environment for the academic and personal growth of all McMaster community members, **whether in person or online**.

It is essential that students be mindful of their interactions online, as the Code remains in effect in virtual learning environments. The Code applies to any interactions that adversely affect, disrupt, or interfere with reasonable participation in University activities. Student disruptions or behaviours that interfere with university functions on online platforms (e.g. use of Avenue 2 Learn, WebEx or Zoom for delivery), will be taken very seriously and will be investigated. Outcomes may include restriction or removal of the involved students’ access to these platforms.

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### *ACKNOWLEDGEMENT OF COURSE POLICIES*

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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.

<b>COURSE SCHEDULE</b>
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**Commerce 3AB3  
Intermediate Financial Accounting I  
Spring 2024 Course Schedule**

<b>Session</b>	<b>TOPIC</b>	<b>READING ASSIGNMENT AND SUGGESTED QUESTIONS</b>
1 May 7	Chapters 1 and 2 The Canadian Financial Reporting Environment Conceptual Framework Underlying Financial Reporting	BE2.1, BE2.2, BE2.10 E2.5a, E2.7, E2.8
2 May 9	Appendix C, Chapter 0, and Chapter 3 The Accounting Information System Accounting Cycle Review Data, Decisions, and Measurement	BEC.3 to BEC.5, BEC.7, BEC.10 EC.1 to EC.3, EC.5 to EC.7, EC.11 PC.1 BE3.5, BE3.15
3 May 14	Chapter 4 Reporting Financial Performance	BE4.10 to BE4.12, BE4.14, BE4.17, BE4.19 to BE4.21, BE4.23 E4.1, E4.3, E4.9, E4.10, E4.12, E4.13, E4.15, E4.16 P4.3
4 May 16	Chapter 5 Financial Position and Cash Flows  <b>Accounting Cycle Assignment due date: May 20</b>	BE5.14 to BE5.16, BE5.18 E5.1 to E5.3, E5.4a, E5.6, E5.8, E5.14a, E5.15, E5.16a, E5.17, E5.18
5 May 21	Chapter 6 and Appendix 6A Revenue Recognition Long-term contracts	BE6.6 to BE6.8, BE6.15 to BE6.19, BE6.34 E6.1, E6.3 to E6.7, E6.11, E6.12, E6.14, E6.15abc, E6.17, E6.19, E6.20, E6.22, E6.33 to E6.38
6 May 23	Chapter 7 Cash and Receivables	BE7.7 to BE7.8, BE7.9a, BE7.10, BE7.11a, BE7.14 to BE7.17 E7.7 to E7.9, E7.15 to E7.17 P7.3, P7.8

Session	TOPIC	READING ASSIGNMENT AND SUGGESTED QUESTIONS
7 May 28	<b>WileyPLUS Assignments first set of due dates: May 27</b> <b>Mid Term (May 28)</b>	
8 May 30	Chapter 8 Inventory: Recognition, Measurement, Valuation and Estimation	BE8.2, BE8.5, BE8.8, BE8.11, BE8.12, BE8.15, BE8.18, BE8.24 E8.2a, E8.3, E8.5, E8.7 to E8.9, E8.10ab, E8.11a, E8.12, E8.14abde, E8.15, E8.16, E8.17a, E8.18, E8.20
9 June 4	Chapter 9 Investments	BE9.1, BE9.3, BE9.4abcde, BE9.5abcde, BE9.6, BE9.9, BE9.12, BE9.16, BE9.17, BE9.23 to BE9.25 E9.2 to E9.4, E9.5ab, E9.7, E9.9, E9.10, E9.12 to E9.14, E9.18, E9.22b, E9.24ab, E9.25ab
10 June 6	Chapter 10 Property, Plant, and Equipment: Accounting Model Basics <b>WileyPLUS Assignments second set of due dates: June 8</b>	BE10.8 to BE10.12, BE10.17, BE10.20a, BE10.23, BE10.24a E10.2a, E10.5a12345, E10.12a15, E10.14a1b, E10.18ab, E10.24, E10.26ab, E10.27abcdef, E10.28, E10.30
11 June 11	Chapter 11 Amortization, Impairment, and Disposition	BE11.2a, BE11.3 to BE11.6, BE11.9a, BE11.12, BE11.13, BE11.14a, BE11.17, BE11.18, BE11.21, BE11.22 E11.3abcde, E11.4abcdg, E11.6ac, E11.7abce, E11.8abc, E11.15, E11.16ab, E11.19abcd, E11.21ac, E11.22ab, E11.25abd, E11.26 to E11.28, E11.30abc
12 June 13	Chapter 12 Goodwill and Other Intangible Assets <b>Group case due dates: June 15</b>	BE12.6, BE12.7, BE12.8ab, BE12.10, BE12.11, BE12.13, BE12.14, BE12.16 to BE12.18 E12.2 to E12.4, E12.7, E12.9, E12.11abc, E12.12abcd, E12.14 to E12.18, E12.20, E12.21a
13 June 18	Review and catch-up as needed June 18 <b>WileyPLUS Assignments thrid set of due dates: June 18</b> <b>Final Exam (June 20)</b>	

**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.