

**Commerce 3AC3
Intermediate Financial Accounting II
Winter 2025 Course Outline
Accounting and Financial Management Services
DeGroot 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

INSTRUCTORS

Professor Justin Y. Jin, PhD, CPA, CA

Email: jinjus@mcmaster.ca

Office Hours: TBD

TEACHING ASSISTANTS

Teaching assistant contact: Ismat Jahan, jahani4@mcmaster.ca

COURSE ELEMENTS

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

COURSE DESCRIPTION

This course is a continuation of COMM 3AB3 and explores the issues of accounting measurement and financial reporting introduced in COMM 1AA3 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:

1. Describe what generally accepted accounting principles (GAAP) are specifically relating to liabilities and equities including integration into IFRS and ASPE and how to apply them
2. Define liabilities and identify how they are measured
3. Account for cases of unearned revenue such as loyalty programs and product warranties
4. Account for contingencies and uncertain commitments
5. Value and measure long-term debt instruments
6. Account for common and preferred share issuances
7. Account for derivative and hedging instruments
8. Identify and apply the presentation and disclosure requirements for income taxes
9. Account for pensions and benefit plans
10. Classify and account for leases

REQUIRED COURSE MATERIALS AND READINGS

1) Intermediate Accounting **13th Canadian Edition**, Volume 2

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

ISBN: 978-1-119-74044-5

Book price information is included in this website:

<https://www.amazon.ca/Intermediate-Accounting-Binder-Ready-Version/dp/1119243718>

There are no restrictions that would prevent students from using a second-hand copy of course material(s).

2) CPA Canada Handbook

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

CONDUCT OF CLASSES AND GENERAL APPROACH

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

EVALUATIONS	WEIGHT	DESCRIPTION
Individual Participation	25%	Attend lecture classes and tutorial classes Engagement in discussions and lectures during class
Group Case study	5%	Group project to analyze a case involving accounting issues covered in the course
Midterm (Close-Book)	35%	MC and written answers
Final Exam (Cumulative and Close-Book)	35%	MC and written answers that cover the entire course

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 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

- **Class Participation:** Names are used to help give credit for your participation. You must display your **full name** in every synchronous 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
		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. 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.

REQUESTING RELIEF FOR MISSED ACADEMIC WORK

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/>

COURSE MODIFICATION

From time to time there may be a need to remove/add topics or to change the schedule or the delivery format. If these are necessary, you will be given as much advance notice as possible.

GENERATIVE AI

There are three approved statements on the use of AI in the classroom. Please choose the one that best fits your policy

USE PROHIBITED

Students are not permitted to use generative AI in this course. In alignment with [McMaster academic integrity policy](#), it “shall be an offence knowingly to ... submit academic work for assessment that was purchased or acquired from another source”. This includes work created by generative AI tools. Also state in the policy is the following, “Contract Cheating is the act of “outsourcing of student work to third parties” (Lancaster & Clarke, 2016, p. 639) with or without payment.” Using Generative AI tools is a form of contract cheating. Charges of academic dishonesty will be brought forward to the Office of Academic Integrity.

SOME USE PERMITTED

Example One

Students may use generative AI in this course in accordance with the guidelines outlined for each assessment, and so long as the use of generative AI is referenced and cited following citation instructions given in the syllabus. Use of generative AI outside assessment guidelines or without

citation will constitute academic dishonesty. It is the student's responsibility to be clear on the limitations for use for each assessment and to be clear on the expectations for citation and reference and to do so appropriately.

Example Two

Students may use generative AI for [editing/translating/outlining/brainstorming/revising/etc] their work throughout the course so long as the use of generative AI is referenced and cited following citation instructions given in the syllabus. Use of generative AI outside the stated use of [editing/translating/outlining/brainstorming/revising/etc] without citation will constitute academic dishonesty. It is the student's responsibility to be clear on the limitations for use and to be clear on the expectations for citation and reference and to do so appropriately.

Example Three

Students may freely use generative AI in this course so long as the use of generative AI is referenced and cited following citation instructions given in the syllabus. Use of generative AI outside assessment guidelines or without citation will constitute academic dishonesty. It is the student's responsibility to be clear on the expectations for citation and reference and to do so appropriately.

UNRESTRICTED USE

Students may use generative AI throughout this course in whatever way enhances their learning; no special documentation or citation is required.

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. **It is your responsibility to understand what constitutes academic dishonesty.**

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. For information on the various types of academic dishonesty please refer to the [Academic Integrity Policy](#).

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.

AUTHENTICITY/PLAGIARISM DETECTION

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. Avenue to Learn, 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.

ACADEMIC ACCOMMODATION OF STUDENTS WITH DISABILITIES

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

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 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.

COPYRIGHT AND RECORDING

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.

EXTREME CIRCUMSTANCES

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.

RESEARCH USING HUMAN SUBJECTS

All researchers conducting research that involves human participants, their records or their biological material are required to receive approval from one of McMaster's Research Ethics Boards before (a) they can recruit participants and (b) collect or access their data. Failure to comply with relevant policies is a research misconduct matter. Contact these boards for further information about your requirements and the application process.

McMaster Research Ethics Board (General board): <https://reo.mcmaster.ca/>

Hamilton Integrated Research Ethics Board (Medical board): <http://www.hireb.ca/>

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.

COURSES WITH AN ON-LINE ELEMENT

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.

ONLINE PROCTORING

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.

CONDUCT EXPECTATIONS

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.

ACKNOWLEDGEMENT OF COURSE POLICIES

Your enrolment in Commerce 3AC3 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

CLASS	DATE	CHAPTER	TOPIC
1	The week of Jan. 6	Chapter 13	Non-Financial and Current Liabilities E13-2, E13-3, E13-5, E13-6, E13-12, E13-18, E13-21
2	The week of Jan. 13	Chapter 13 and 14	Long-Term Financial Liabilities E14-1, E14-2, E14-4, E14-5, E14-6, E14-11, E14-13, E14-20
3	The week of Jan. 20	Chapters 14 and 15	Shareholders' Equity E15-1, E15-2, E15-3, E15-5, E15-7, E15-11, E15-12
4	The week of Jan. 27	Chapters 15	Shareholders' Equity E15-1, E15-2, E15-3, E15-5, E15-7, E15-11, E15-12
5	The week of Feb. 3	Chapter 16	Complex Financial Instruments E16-2 to E16-7, E16-9, E16-10, E16-12, E16-13, E16-18, E16-19, E16-20
6	The week of Feb. 10	Chapter 16	Complex Financial Instruments E16-2 to E16-7, E16-9, E16-10, E16-12, E16-13, E16-18, E16-19, E16-20
7	The week of Feb. 17	Mid-term Recess	Monday, February 17 to Sunday, February 23
8	The week of Feb. 24	Chapter 17	Earnings Per Share E17-2, E17-4, E17-6, E17-8, E17-10, E17-12, E17-14, E17-15, P17-7.

3AC3 – Winter 2025

CLASS	DATE	CHAPTER	TOPIC
9	The week of March 3	Chapter 18	Income Taxes E18-3, E18-7, E18-8, E18-9, E18-10, E18-11, E18-13, E18-16, E18-17, E18-22.
10	The week of March 10	Chapter 18	Income Taxes E18-3, E18-7, E18-8, E18-9, E18-10, E18-11, E18-13, E18-16, E18-17, E18-22.
11	The week of March 17	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.
12	The week of March 24	Chapter 20	Leases E20-3, E20-4, E20-5, E20-6, E20-7, E20-9, E20-10, E20-11, E20-12, E20-14.
13	The week of March 31	Chapter 20	Leases E20-3, E20-4, E20-5, E20-6, E20-7, E20-9, E20-10, E20-11, E20-12, E20-14.
		End of Semester	Tuesday, April 8, 2025
		**Midterm	BUSINESS - COMMERCE 3AC3 MIDTERM EXAM ROOM(S): LRW B1007 (Capacity 400) TIME: 6:00 PM - 9:00 PM DATE(S): Friday, February 28, 2025 DURATION: 3 Hours

THE COURSE OUTLINE IS SUBJECT TO CHANGE BY THE INSTRUCTORS.