

COMMERCE 3AB3
Intermediate Financial Accounting I
Fall 2025 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). This course may be of interest to students who are interested in accounting and financial designations, such as CPA and CFA.

INSTRUCTORS AND CONTACT INFORMATION

INSTRUCTORS

Ken Li Email: lik130@mcmaster.ca Office hours: To be posted on Avenue.	Yvonne S. Kwok Email: kwokyv@mcmaster.ca Office hours: By appointment
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TEACHING ASSISTANTS

Information to be posted on Avenue.

SECTIONS

Please see Avenue for information on sections, class times, and class locations.

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

COURSE DESCRIPTION

This course explores accounting and financial reporting issues introduced in COMMERCE 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, receivables, inventories, investments, property, plant, and equipment, and intangible assets. In addition, particular emphasis is placed on the revenue recognition principle. Also discussed are the accounting concepts underlying GAAP, 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:

- Understand generally accepted accounting principles (GAAP) including 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 inventory valuation.
- Apply the appropriate accounting treatment for investments.
- Identify the acquisition costs of land, buildings, and equipment.
- Apply the various methods of amortization.
- Explain the accounting issues related to asset impairment.
- Describe the characteristics of intangible assets.

- Apply procedures for accounting treatment of intangible assets.

REQUIRED COURSE MATERIALS AND READINGS

- 1) **Intermediate Accounting, Volume 1, 14th Canadian Edition, with WileyPLUS**
Donald E. Kieso, Jerry J. Weygandt, Terry D. Warfield, Laura D. Wiley, Irene M. Wiecek,
Bruce J. McConomy

Note: WileyPLUS is required for the duration of the course. WileyPLUS provides access to the full eTextbook for the duration of the course. A physical copy of the book is optional.

(WileyPLUS pricing for Fall 2025 course: \$93.95)

(Second hand options may not provide access to WileyPLUS)

- 2) CPA Canada Handbook (Available for free through McMaster Knotia)
- 3) Avenue registration for course content, readings and case materials (Available for free)
- 4) McMaster standard calculator (2025 pricing: \$24.99 at McMaster Campus Store)

CONDUCT OF CLASSES AND GENERAL APPROACH

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

EVALUATIONS	WEIGHT	DESCRIPTION
Participation	10%	Engagement in lectures
WileyPLUS Assignments	10%	Computer-based assignments based on readings
Case Study	10%	Group project to analyze a case involving accounting issues covered in the course
Accounting Cycle Assignment	10%	Questions that cover the first several weeks
Midterm Exam	25%	MC and written answers that cover approximately the first half of the course
Final Exam	35%	MC and written answers that cover the entire course

A combination of asynchronous (e.g., self-study) and synchronous content, technical problem solving, case studies, and synchronous 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 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 current 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 the suggested questions under the Course Schedule section of this outline.
- 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.

COURSE EVALUATION

- **Class Participation:** You are expected to use your name card, or log in with your full name for any virtual lectures, upon joining each synchronous class. 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. Since student participation is an important component of this course, official McMaster student ID photographs will be used to ensure that each student is assessed accurately. The instructor will use the photograph to ensure the accuracy of participation marks, group work, and for identifying students for grading purposes. Students are responsible for keeping a record of their own participation and for summarizing their contributions after each class.
- Further details will be provided by your instructor regarding tracking participation by assigned section.
- Missed assignments/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

WileyPLUS Assignments	10%
Accounting Cycle Assignment	10%
Midterm	25%
Cumulative Final Examination	35%
Group Case	10%
Participation	10%
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:

<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

How evaluation weights will be reallocated upon receiving a valid and approved MSAF:

- Please refer to McMaster University MSAF Policy and DeGroote School of Business MSAF Policy for more information.
- Missed Class/Participation: Shift to other weeks of Participation. In cases in which valid and approved MSAF(s) apply to all weeks of Participation, the Participation weight is shifted to the Final Exam.
- Missed Accounting Cycle Assignment: Shift to Midterm Exam.
- Missed WileyPLUS Assignment(s): Shift to other WileyPLUS Assignments. In cases in which valid and approved MSAF(s) apply to all WileyPLUS Assignments, the WileyPLUS Assignments weight is shifted to the Final Exam.
- Missed Midterm: Shift to Final Exam.
- Missed Case: Shift to Final Exam.
- Note: Per the McMaster University MSAF Policy, the MSAF Policy cannot be used "for academic work such as online assessments (e.g., quizzes, tests, etc.), where the student has already completed the work, or has attempted to complete the work. This includes the viewing and/or partial completion of online assessments (e.g., quizzes, tests, etc.)".

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.

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 around Week #4/5 to allow time for modifications in curriculum delivery.

Students who have concerns about the course content, evaluation methods, or delivery should first reach out to the course instructor. If your concern remains unresolved after speaking with the instructor, you may then reach out to the relevant Area Chair for further consideration.

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](https://secretariat.mcmaster.ca/university-policies-procedures-guidelines/), located at <https://secretariat.mcmaster.ca/university-policies-procedures-guidelines/>

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. 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.

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/>

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, Avenue to Learn 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 regularly during the term and to note any changes.

GENERATIVE AI

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.

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 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

Note: Because there is no class on Labour Day (Monday Sept 1), the first class for Monday sections is on Sept 8. Monday sections are “one class behind” the other Cores until the week of the midterm.

WEEK	TOPICS, READINGS, AND DATES	SUGGESTED QUESTIONS
1 Sept 2 (Monday sections: Sept 8)	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 Sept 9 (Monday sections: Sept 15)	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 Sept 16 (Monday sections: Sept 22)	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, E4.10abcd, E4.12, E4.15, E4.16 P4.3a
4 Sept 23 (Monday sections: Sept 29)	Chapter 5 Financial Position and Cash Flows Accounting Cycle Assignment due date: October 1	BE5.14 to BE5.16, BE5.18 E5.1 to E5.3, E5.4a, E5.6, E5.8, E5.14a, E5.15, E5.16a1*, E5.17*, E5.18 (*See notes at the end of this course outline)
5 Sept 30 (Monday sections: Oct 6)	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
6/7 Oct 7 (Monday sections: Oct 20)	Chapter 7 Cash and Receivables	BE7.5 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
6/7 Oct 13-17	No Class (Mid-term recess)	

WEEK	TOPICS, READINGS, AND DATES	SUGGESTED QUESTIONS
8 Oct 21	WileyPLUS Assignments first set of due dates: October 20 Midterm exam on October 23 at 7pm for 2 hours*	*Note: Per DSB Student Services Office: “Alternate write sessions are available only to students who submit a request to our office at least 10 business days prior to the midterm” (for approved reasons due to known conflicts)
9 Oct 27	Chapter 8 Inventory	BE8.2, BE8.5, BE8.8, BE8.11, BE8.12, BE8.15, BE8.17, 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
10 Nov 3	Chapter 9 Investments	BE9.1 to 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
11 Nov 10	Chapter 10 Property, Plant, and Equipment: Accounting Model Basics	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
12 Nov 17	Chapter 11 Depreciation, 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
13 Nov 24	Chapter 12 Intangible Assets and Goodwill Case due on November 26	BE12.6, BE12.7, BE12.8ab, BE12.10, BE12.11, BE12.13 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
14 Dec 1	Exam Review WileyPLUS Assignments second set of due dates: December 4	

For E5.16a1, please use the following version of the question.

- a. Instead of “The company follows new requirements for the statement of cash flows introduced with IFRS 18,” assume that “the company follows IFRS and follows requirements for the statement of cash flows before the introduction of IFRS 18 and IAS 7 changes that are effective January 1, 2027.”
- b. Instead of “Assume that interest is treated as an investing activity for the purposes of the statement of cash flows,” assume that “interest is treated as an operating activity for purposes of the statement of cash flows.”

For E5.17, please use the following version of the question.

- a. Instead of “Dropafix follows change to requirements introduced with IFRS 18,” assume that “Dropafix follows IFRS and follows requirements for the statement of cash flows before the introduction of IFRS 18 and IAS 7 changes that are effective January 1, 2027.”
- b. In addition, also assume that dividends paid are treated as a financing activity for the purposes of the statement of cash flows.