

Course Outline

Department of Accounting and Finance
School of Business and Economics

ACCT 3200-3
Intermediate Financial Accounting 1 (3,0,0)

Calendar Description

Students learn to prepare the income statement, statement of retained earnings, and asset side of the statement of financial position. Topics include the Canadian reporting environment; the conceptual framework; the income statement including irregular items and comprehensive income; overview of the statement of financial position and statement of cash flows; revenue recognition; cash and receivables; inventory; long-term and short-term investments; property plant and equipment including depreciation, impairment, and disposition; and intangible assets including impairment and goodwill. Instruction is based on International Financial Reporting Standards.

Educational Objectives/Outcomes

Upon completing this course, students will be able to:

1. Apply conceptual principles when selecting appropriate accounting policies.
2. Demonstrate the ability to assess a situation, identify issues and alternatives, and provide a recommendation using ethical professional judgment.
3. Classify and account for various financial instruments using International Financial Accounting Standards.
4. Demonstrate an understanding of revenue recognition including issues of measurement and collectability.
5. Prepare an income statement in various formats that contains discontinued items and unusual gains and losses and EPS calculations for both basic and fully diluted EPS.
6. Account for the recognition, measurement, impairment, and derecognition of accounts receivable and other short-term receivables.
7. Calculate the cost, depreciation, and impairment of long-term assets under various scenarios including the cost model, fair value model, and revaluation model.
8. Account for the recognition, derecognition, and impairment of intangible assets and goodwill.
9. Prepare a classified balance sheet including supplemental disclosures.

Prerequisites

ACCT 1000 or ACCT 1210/1220 or ACCT 2210 (grade C+ or better); CMNS 1290

Co-requisites

None

Texts/Materials

Kieso, D., Weygandt, J., Warfield, T., Young, M., Wiecek, I., and McConomy, B., Intermediate Accounting, Volume 1, Tenth Canadian Edition, John Wiley & Sons Canada, Ltd., 2013.

Student Evaluation

Midterm(s)	30-40%
Assignments and quizzes	10-20%
Final Exam	40-50%

Students must pass the final exam to pass the course.

Course Topics

1. Canadian Reporting Environment
 - Role and objectives of financial reporting
 - Standard setting
 - IFRS and GAAP
 - Financial reporting challenges
2. Conceptual Framework
 - The conceptual framework
 - Foundational principles
 - Recognition and derecognition
3. Review of Accounting
 - Accounting cycle
 - Review of introductory financial accounting
4. Reporting Financial Performance
 - The income statement, classification, disclosures
 - Format of the income statement
 - Reporting irregular items
 - Intraperiod tax allocation
 - Earnings per share
 - Retained earnings
 - Comprehensive income
5. Financial Position and Cash Flows
 - The balance sheet, classification, disclosures
 - Statement of cash flows, content and preparation
6. Revenue Recognition
 - Accounting for sales transactions earnings approach and contract approach

- Revenues and gains
- Other comprehensive income
- Percentage of completion method
- Completed contract method
- Losses on long term contracts

7. Cash and Receivables

- Cash and equivalents
- Types of receivables
- Recognition and measurement of accounts receivable
- Recognition and measurement of short and long term notes
- Factoring receivables
- Derecognition of receivables

8. Inventory

- Inventory recognition and measurement
- Lower of cost or NRV
- Inventory errors and estimating inventory

9. Investments

- Accounting for investments in equity and debt, both short and long term
- FVTPL investments
- FVTOCI investments
- Debt investments held to maturity
- Standards for impairment
- Investments in associates

10. Long-term Assets Including Depreciation, Impairment, and Disposition

- Cost of assets including component parts and self-constructed assets
- Borrowing costs
- Restoration costs
- Cost model
- Revaluation model
- Fair value model
- Costs after acquisition
- Depreciation methods and impairment
- Asset groups and cash generating units
- Derecognition
- Presentation and disclosure

11. Intangible Assets and Goodwill

- Recognition and measurement of intangible assets and goodwill
- Impairment of limited life intangibles
- Impairment of long life intangibles
- Bargain purchase
- Impairment of goodwill

- Presentation and disclosure of intangibles

Methods for Prior Learning Assessment and Recognition

As per TRU policy

Attendance Requirements – Include if different from TRU Policy

As per TRU policy

Special Course Activities – Optional

Use of Technology – Optional