

Course Outline

Department of Accounting and Finance
School of Business and Economics

ACCT 3210-3
Intermediate Financial Accounting 2 (3,0,0)

Calendar Description

Building on ACCT 3200: Intermediate Financial Accounting 1, students learn to prepare the current liabilities, long-term liabilities, and shareholders' equity sections of the statement of financial position and the cash flow statement. Topics include current liabilities and contingencies; long-term liabilities; advanced shareholders' equity; complex financial instruments and earnings per share; income taxes; pensions and other employee future benefits; leases; accounting changes and errors; statement of cash flows; and other measurement and disclosure issues. Instruction is based on International Financial Reporting Standards.

Educational Objectives/Outcomes

Upon completing this course, students will be able to:

1. Identify the appropriate Canadian GAAP reporting standards International Financial Reporting Standards and Accounting Standards (IFRS) for Private Enterprises (ASPE) as applicable to individual reporting or presentation situations and/or issues.
2. Distinguish non-financial and financial liabilities and apply principals related to the appropriate recognition of non-financial liabilities including asset retirement obligation under IFRS and ASPE.
3. Account for current and other financial liabilities.
4. Understand the basic principles of liability recognition and presentation and recommend appropriate treatment.
5. Identify long-term financing sources and other liabilities and calculate the appropriate measurement and reporting for the issuance, maintenance and pre-mature redemption of debt instruments issued.
6. Apply the fair value concept to long-term liabilities under IFRS requirements.
7. Identify and appropriately value financial instruments that contain both a debt and equity components through appropriate application of IFRS guidance.
8. Prepare all journal entries related to long-term liabilities.
9. Prepare shareholders' equity section and related journal entries.
10. Calculate basic and diluted earnings per share (EPS).
11. Prepare income tax journal entries.
12. Complete a pension worksheet and journal entries.
13. Account for various types of leases, including complex calculations.
14. Account for changes in accounting policy, estimates, and errors.
15. Prepare a statement of cash flows using both direct and indirect methods.
16. Apply full disclosure in financial reporting.

Prerequisites

ACCT 3200

Co-requisites

None

Texts/Materials

Kieso, Weygandt, Warfield, Young, Wiecek, Volume 2, Intermediate Accounting, 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. Current Liabilities and Contingencies
 - Accounts payable
 - Estimated liabilities
 - Warranties
 - Other estimated liabilities
 - Contingencies, commitments, and guarantees
 - IFRS and ASPE comparison
2. Long-Term Liabilities
 - Long-term financial liabilities
 - Bonds
 - Notes payable
 - Presentation of long-term debt
 - IFRS and ASPE comparison
3. Advanced Shareholders' Equity
 - Corporate form
 - Share capital
 - Retained earnings
 - Dividends
 - Other components of shareholders' equity
 - Presentation and disclosure

- IFRS and ASPE comparison
 - Complex financial instruments and earnings per share
 - Overview of complex financial instruments
 - Types of complex financial instruments
 - Overview of earnings per share
 - Types of earnings per share
 - EPS presentation
 - IFRS and ASPE comparison
4. Income Taxes
- Income tax fundamentals
 - Accounting income and taxable income
 - Accounting for income tax-objectives and procedures
 - Accounting for income tax expense
 - Accounting for income tax loss carryover benefits
 - Financial statement presentation
5. Pensions and Other Employee Future Benefits
- Accounting for pensions
 - IFRS and ASPE comparison
6. Leases
- Accounting for leases from a lessee's perspective
 - Leases from a lessor's perspective
 - Accounting for leases from a lessor's perspective
 - Disclosure
 - IFRS and ASPE comparison
7. Accounting Changes and Error Analysis
- Types of accounting changes
 - Changes in accounting policy
 - Changes in accounting estimates
 - Corrections of errors in prior period financial statements
 - IFRS and ASPE comparison
8. Statement of Cash Flows
- Cash, cash equivalents, and overdrafts
 - Classification of cash flows
 - Format of the cash flow statement
 - Preparing a cash flow statement
 - Disclosure non-cash transactions
 - Cash flow tips
 - IFRS and ASPE comparison
9. Other Measurement and Disclosure Issues
- Full disclosure principle revisited
 - Notes to the financial statements

- IFRS and ASPE comparison

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