I. Catalog Description:

Current theory of accounting. Topics include the design of the statement of changes in financial position, valuation of capital stock and retained earnings. Other special topics will include earnings per share computation, current cost and constant dollar accounting, liability, leases, pension plans, and price level accounting. Prerequisites: BUS 230A, 230B and 330A.

II. Course Learning Outcomes:

The course content covers the use, preparation and limitations of financial information. The second course in Intermediate Accounting focuses on shareholders’ equity, statement of cash flows. The course covers current topics related to the material and applies concepts to firms’ financial statements. After completing the course students should be able to:

- Discuss the corporate form and the issuance, reacquisition and retirement of stock
- Discuss purchase and sale of treasury stock
- Discuss types of dividends
- Explain accounting for common, preferred and treasury stock
- Describe forms of dividend distributions
- Discuss how stockholders' equity is presented and analyzed
- Discuss accounting, reporting and disclosure for debt and equity securities
- Discuss the equity method of accounting for investments
- Discuss the accounting for impairments of debt and equity
- Apply the revenue recognition principle
- Discuss accounting for long-term contracts
- Describe differences in financial statement income and taxable income
- Discuss accounting for different types of pension and postretirement plans
- Describe accounting for leases
- Discuss accounting for changes in accounting principles and correction of errors
- Discuss the preparation and usefulness of the cash flow statement
- Discuss the full disclosure principle
- Describe accounting and disclosure for traditional and derivative financial instruments
- Explain hedge accounting
III. Course Materials:

- Intermediate accounting textbook such as Kieso, Weygandt and Warfield
- Current news articles
- Annual reports

IV. Teaching Methods:

Primary teaching methods are conceptual lectures and in-class group work.

V. Evaluation Tools:

The course grade will be based on 60 to 75% examinations and quizzes, 15 to 30% practice sets, cases and homework, 5 to 20% group and in-class participation.

VI. Course Content:

A. Course Topics

- Stockholders’ equity: contributed capital
- Stockholders’ equity: retained earnings
- Dilutive securities and earnings per share
- Investments
- Revenue recognition
- Accounting for income taxes
- Accounting for pensions and postretirement benefits
- Accounting for leases
- Accounting for changes and error analysis
- Statement of cash flows
- Full disclosure in financial reporting
- Accounting for derivatives

B. Perspectives for Business Decisions:

<table>
<thead>
<tr>
<th>Business Decisions</th>
<th>Minimum Number of 50</th>
<th>Required Graded Work</th>
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<tbody>
<tr>
<td>International/Global</td>
<td>1</td>
<td>*</td>
</tr>
<tr>
<td>Ethical Issues</td>
<td>3</td>
<td>*</td>
</tr>
<tr>
<td>Political Issues</td>
<td>1</td>
<td>*</td>
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* Required graded work other than exams will be at the discretion of the instructor.

C. Interdisciplinary Skills:

<table>
<thead>
<tr>
<th>Skills</th>
<th>Required Graded Work Other Than Exams?</th>
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<tbody>
<tr>
<td>Oral Communications</td>
<td>Yes</td>
</tr>
<tr>
<td>Written Communications</td>
<td>Yes*</td>
</tr>
<tr>
<td>Critical Thinking</td>
<td>Yes**</td>
</tr>
<tr>
<td>Working in Teams</td>
<td>No</td>
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* Accounting faculties use homework problems and the exams to assess students’ written communication skills. In many accounting classes students are required to work as a team to solve a particular problem or cases. In some accounting courses students are required to give a short presentation.

** Critical thinking and problem-solving skills are enhanced by the problems assigned in the course. Students complete problems that require them to organize and analyze data in a logical form for decision-making, separate relevant data from irrelevant data, and make decisions from the results of their analysis.