**ACG 3131**

**Intermediate Theory 1 (3 credit hours)**

**Fall 2018**

**Tuesdays and Thursday, 11:00 am – 12:20 am BU 307**

# Instructor:

Dr. Maya Thevenot, PhD

Office: Barry Kaye Hall 123

E-mail: mtheveno@fau.edu

Phone: 561-297-4036

# Office Hours

Tuesdays and Thursdays 2:00pm – 3:00pm and by appointment.

# Required Text and Materials

* Spiceland, Nelson & Thomas. Intermediate Accounting (Connect Plus LearnSmart Access), 9th edition. Irwin/McGraw-Hill, 2017. E-book ISBN 9781260029871; loose-leaf ISBN 9781260089042.
* Scantron Forms (Green) - These may be purchased at the book store.
* Financial Calculator (You may not use your cell phone as your calculator)
* Computer - Certain assignments will require the use of Excel

**USE OF CANVAS SITE**: Some materials for this course will be available on the FAU Canvas website https://canvas.fau.edu/

**You are expected to access the Canvas website regularly to check for syllabus updates, announcements, assignments, and other course materials. Not checking canvas is not an excuse.**

# Recommended Text and Materials (Optional)

Wiley CPAexcel Exam Review 2017 Study Guide: Financial Accounting and Reporting. ISBN: 9781119369912.

**Course Description**

Intermediate Theory 1 (ACG 3131) 3 credits

This course presents a user-oriented overview of financial reporting and practice with a focus on how management decisions impact financial statements. You will study the reporting effects of financing, investing, and operating decisions made by corporate managers, and you should complete this course with a relatively sophisticated understanding of how these business decisions interact with financial reporting rules and guidelines. ***This is not a bookkeeping course or a journal entry course.*** You will focus on the end products of the financial reporting process: income statements, balance sheets, statements of stockholders’ equity, and cash flow statements. This course will help you develop many of the competencies which the American Institute of Certified Public Accountants (AICPA) expects accounting graduates to have. You should visit the AICPA website (specifically <http://www.aicpa.org>) for more information about these competencies.

**Course Prerequisites and Credit Hours and Class Time Commitments**

Prerequisite: ACG 2071 with a grade of "C" or better and satisfactory performance on Principles of Accounting Competency Exam and prerequisite or corequisite of FIN 3403 with a grade of "C" or better

Completion of the School of Accounting Competency Exam**,** junior standing, and 6 hours of accounting principles are prerequisite to this course. Students lacking proper prerequisites may be administratively withdrawn from this or any other accounting course at any time during the term without receiving a tuition refund.

According to Florida State regulation 6A-10.033, students must spend a minimum 2,250 minutes of in class time during a 3-credit course. Additionally, students enrolled in a 3-credit course are expected to spend a minimum of 4,500 minutes of out-of-class-time specifically working on course-related activities (i.e., reading assigned pieces, completing homework, preparing for exams and other assessments, reviewing class notes, etc.) and fulfilling any other class activities or duties as required.

**Course Learning Objectives**

The Learning Objectives for this course are the following:

1. Demonstrate understanding of the financial accounting environment and cash versus accrual accounting. Calculate net operating cash flows and accrual net income. Recognize and identify the development of financial accounting standards and the conceptual framework.
2. Analyze the effects of accounting transactions on the accounting equation and identify permanent versus temporary accounts. Prepare adjusting journal entries, financial statements and closing entries. Recall the accounting processing cycle.
3. Describe the purpose and limitations of the balance sheet. Prepare and interpret how items should be classified on the balance sheet, e.g., assets, liabilities, shareholders’ equity and respective sections.
4. Identify when and what information should be disclosed in the disclosure notes. Demonstrate understanding of what should be reported under common disclosure note categories such as summary of significant accounting policies, subsequent events, etc.
5. Prepare multiple-step income statements. Analyze whether items should be reported within income from continuing operations or as separately reported items (e.g., discontinued operations). Apply concept of intra-period income tax allocation, calculation and disclosure of earnings per share (EPS). Identify items and amounts that are not included in net income but instead reported on the statement of comprehensive income.
6. Analyze accounting transactions to determine their effect on the statement of cash flows, if any, and properly categorize the transactions as operating, investing, financing or non-cash investing and financing activities when preparing the statement of cash flow. The focus will be on the indirect method of reporting cash flows.
7. Identify the core revenue recognition principle and the five steps used to apply the principle. The focus will be on the recognition of revenue and methods used when recognizing revenue. Determine revenue to be recognized when products and services are delivered and prior to their delivery (long-term contracts).
8. Assess what items may be classified as cash and cash equivalents while taking into consideration restricted cash and compensating balances. Obtain an understanding of initial / subsequent valuation of accounts receivable (A/R), noncollectible accounts receivable (write offs & collections of A/R previously written off, income statement versus balance sheet approach when calculating an estimate of future bad debts related to accounts receivable). Also, understand the requirements associated with notes receivable and disclosures related to receivables.
9. Identify different types of inventory and what should be included in inventory. Demonstrate how to record transactions and calculate cost of goods sold/ending inventory based on the inventory system used (e.g., periodic or perpetual) and the cost flow assumption used (FIFO, LIFO, etc.). Determine LIFO Liquidations.
10. Apply the rules for reporting inventory at lower of cost and net realizable value, determining net realizable value and adjusting cost to net realizable value. Identify how a change in inventory method and inventory error corrections are reported in the financial statements.
11. Demonstrate how to properly account for the acquisition, disposition and exchanges of assets. Determine research and development costs.
12. Calculate depreciation and amortization using different cost allocation methods. Demonstrate knowledge pertaining to utilization and impairment of assets. Determine the accounting treatment of subsequent expenditures.
13. Analyze, calculate and record the effect of accounting changes, estimates, and error corrections. Identify how accounting changes, estimates, and error corrections are reported in the financial statements.

**Grading Scale**

The grading scale is as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| A | 92% and above | C | 72 - 77% |
| A- | 90 - 91% | C- | 70 - 71% |
| B+ | 88 - 89% | D+ | 68 - 69% |
| B | 82 - 87% | D | 62 - 67% |
| B- | 80 - 81% | D- | 60 - 61% |
| C+ | 78 - 79% | F | 59% and below |

**Course Evaluation Method**

### Exam 1 100

Exam 2 100

Exam 3 100

Comprehensive Final Exam 100

IFRS Assignment 35

Connect Plus Assignments 35

Excel Assignment 20

Mandatory Peer Advising Assignment \_5

Total points 495

**Exams:** **There will be four exams including a Final Exam.**

**Testing Procedures**

During examinations there will be **no electronic devices permitted, other than a calculator**. Students are not permitted to use their cell phones for any reason during an examination. If I see anyone using their cell phone during an exam I will assume that the student is using the cell phone to achieve an unfair advantage over other students and that student shall receive a zero for the exam.

I also reserve the right to ask students to move during an exam. This is for the benefit of the rest of the class, and does not mean that I am accusing the person I am moving of cheating.

**International Financial Reporting Standards (IFRS) Assignments:** Details regarding the assignments will be posted on Canvas.

**Connect Plus LearnSmart Assignments:** Details regarding the assignments will be posted on Canvas.

**Excel Assignment:** Details regarding the assignment will be posted on Canvas.

**Mandatory Peer Advising Assignment:** Details regarding this assignment will be posted on Canvas.

**Mandated Assessment Criteria: Florida Atlantic University's College of Business has mandated assessment procedures for all major programs. For the accounting major, Financial Reporting (ACG 3131), Managerial Decision Making and Accounting (ACG 3341), and Federal Taxation I (TAX 4001) are used to meet these requirements.**

**Therefore, students in this class will be required to meet the following additional criterion in order to earn a “C” or better in this class: Each student must have at least a 72% average on the exams in this class to receive a grade of “C” or better for the class. The tests utilized in this course are designed to meet the assessment criteria related to content and critical thinking skills.**

**Additional Course Policies**

**Missed Exam Policy**

Make-up exams will not be given. In cases of extreme hardship (e.g., hospitalization of student, death of immediate family member, unavoidable out-of-town business), the final exam may be reweighted to count for missed exam. If at all possible, you should speak with me prior to the exam in order to receive permission to reweight the final exam. Failure to seek approval will greatly reduce your chance of receiving approval. Also, documentation may be required. If you miss an exam and are not allowed to reweight the final exam, you will be given a zero for that exam.

**Late Assignments**

Late assignments will not be accepted.

**Attendance Policy**

Attendance is not a part of the grade in this course; students are, however, expected to attend class for examination purposes.

**Homework Collection**

Although not collected, this is THE MOST IMPORTANT aspect of the course. You must be dedicated to DOING the work---not merely watching or listening in class. **Students must be prepared with the assignments for each day as shown below. *Solutions to certain review questions, exercises and problems* are available via Canvas.**

**WARNING:** Reviewing solutions before investing significant effort to solve homework on your own will give you a false sense of accomplishment/understanding! Exams, and ultimately your professional career in accounting, require a TRUE understanding of the issues. In addition, exams typically incorporate an element of time pressure. **You must *know the material* to finish the exam in the time allowed. As in any profession, *practice* (i.e., homework) is crucial to success.** **Plan to spend at least 2 – 3 hours preparing for each hour of class time.**

**Miscellaneous Course Policies**

1. You are expected to **come to class having** (a) **READ** the text material assigned for that day and (b) **ATTEMPTED ALL** assignments.
2. Unless instructed otherwise, **ALL** work to be submitted for consideration toward your course grade is to be attempted and completed on an **INDIVIDUAL BASIS**.
3. You need to use and check your FAU e-mail account and Canvas on a daily basis. Not checking your e-mail or Canvas is not an excuse.
4. You may not use your cell phone or laptop computer as your calculator.
5. You are responsible for School of Accounting policies at

<http://www.business.fau.edu/departments/accounting/school-of-accounting-policies/index.aspx>

***These policies are considered to be an integral part of this syllabus***.

**ACADEMIC IRREGULARITIES, HONESTY AND CLASSROOM CONDUCT:**

A fundamental principle of academic, business and community life is honesty. In the academic environment, the following are critical:

Appropriate classroom behavior is expected at all times, including respect for the instructor and peers. Disruptive classroom behavior is unfair to other students who are in class to learn, as well as to the instructor, and will not be tolerated.

Disruptive behavior is defined in the FAU Student Code of Conduct as *“... activities which interfere with the educational mission within classroom.”* Students who behave in the classroom such that the educational experiences of other students and/or the instructor’s course objectives are disrupted are subject to disciplinary action. Such behavior impedes students’ ability to learn or an instructor’s ability to teach. Disruptive behavior may include, but is not limited to: non-approved use of electronic devices (including cellular telephones); cursing or shouting at others in such a way as to be disruptive; or, other violations of an instructor’s expectations for classroom conduct.

Students at Florida Atlantic University are expected to maintain the highest ethical standards, Academic dishonesty, including cheating and plagiarism, is considered a serious breach of these ethical standards, because it interferes with the University mission to provide a high quality education in which no student enjoys unfair advantage over any other. Academic dishonesty is also destructive of the University community, which is grounded in a system of mutual trust and places high value on personal integrity and individual responsibility. Harsh penalties are associated with academic dishonesty.

**Anti-plagiarism Software**

The Internet is a powerful tool providing access to a wealth of information. Students are reminded that plagiarism guidelines that apply to printed materials also apply to materials accessed via the Internet. ***Plagiarism is a very serious violation.* Written components of any assignment or project may be submitted to anti-plagiarism software to evaluate the originality of the work.** Any students found to be submitting work that is not their own will be deemed in violation of the University’s honor code discussed above. Refer to FAU’s Code of Academic Integrity for more information regarding violations.

**Tentative Schedule for Fall 2017:**

|  |  |
| --- | --- |
| **Date** | **Work that should be completed prior to the class meeting**  **BE = Brief Exercise, E = Exercise, P = Problem** |
| Aug. 22 | Read Chapter 1 and Chapter 2 (pages 46-79); In-class hand-outs  **Homework:**  Complete E1-1 and E1-2  Complete E1-5, E1-6, E1-7, E1-8, E1-9, E1-10, E1-12, and E1-14  Complete BE2-1, BE2-10, E2-1, E2-4 (No JE’s; follow the instructions from E2-1 and analyze the effects on the accounting equation with a table like we used in class rather than preparing journal entries) |
| Aug. 24 | In class hand-out Cont. (Adjusting Journal Entries)  **Homework:**  Complete E2-5, E2-6, E2-7, E2-12, and E2-17  Complete P2-1 (Follow the instructions from E2-1 and analyze the effects on the accounting equation as well). |
| Aug. 29 | In class hand-out Cont. (Financial Statements and Closing)  **Homework:**  Complete E2-8, E2-9, and E2-13  Complete P2-3, P2-5, and P2-8  Read Chapter 3 (pages 108-124) |
| Aug. 31 | **Homework:**  Complete E3-2, E3-3, E3-5, E3-6, E3-7, E3-8, E3-9, E3-10, E3-11, E3-12, and E3-15  Complete P3-2, P3-6, and P3-7 |
| Sept. 5 | Review for Exam 1 (Chapters 1-3) |
| Sept. 7 | **Exam 1 – Part 1** |
| Sept. 12 | **Exam 1 – Part 2**  Read Chapter 4 (pages 162-193) |
| Sept. 14 | In-class hand-out(s)  **Homework:**  Complete E4-3, E4-4, E4-5, E4-6, E4-7, E4-8, E4-10, E4-11, and E4-24  Complete P4-3, P4-4, P4-5, and P4-6 |
| Sept. 19 | **Homework:**  Complete E4-12, E4-15, E4-16, and E4-17 |
| Sept. 21 | **Homework:**  Complete E4-20  Complete P4-11  Read Chapter 5 (pages 234-245, 254-272) |
| Sept. 26 | **Homework:**  Complete E5-3, E5-5, E5-17 and E5-18  **Go over Excel Assignment** |
| Sept. 28 | In class hand-out(s)  **Homework:**  Complete P5-12 |
| Oct. 3 | In class hand-out(s)  **Homework:**  P5-10 (Requirements 1-3 only), P5-11 (Requirements 1-3 only) |
| Oct. 5 | **Excel Assignment Due Today by 10pm**  Review for Exam 2 (Chapters 4-5) |
| Oct. 10 | **Exam 2 – Part 1** |
| Oct. 12 | **Exam 2 – Part 2**  Read Chapter 7 (pages 350-370) |

|  |  |
| --- | --- |
| Oct. 17 | **Homework**  Complete BE7-9 and BE7-10  Complete E7-1, E7-2, E7-5, E7-10 and E7-11 |
| Oct. 19 | **Homework**  Complete E7-13, E7-14 and E7-15  Complete P7-1, P7-2 and P7-4  Read Chapter 8 (pages 414-437) |
| Oct. 24 | In class hand-out  **Homework:**  Complete E8-3, E8-4, E8-6, E8-7, E8-8, E8-9, E8-11  Complete P8-1, P8-2 |
| Oct. 26 | In class hand-out  **Homework:**  Complete E8-13, E8-14, E8-19, and E8-26  Complete P8-5, P8-12 (Requirements 1-3 only)  Read Chapter 10 (pages 516-538 and pages 544-547) |
| Oct. 31 | In class hand-out(s)  **Homework:**  Complete E10-1, E10-2, E10-3, E10-6, E10-7, E10-8, E10-10, E10-14, E10-15, E10-16, and E10-17 |
| Nov. 2 | **Homework:**  Complete P10-1, P10-3, P10-4, P10-6, P10-7, E10-26, E10-27 |
| Nov. 7 | Review for Exam 3 (Chapters 7-10) |
| Nov. 9 | **Exam 3 – Part 1** |
| Nov. 14 | **Exam 3 – Part 2**  Read Chapter 11 |

|  |  |
| --- | --- |
| Nov. 16 | **Homework:**  Complete E11-2, E11-3, E11-4  Complete P11-2, P11-6 |
| Nov. 21 | **All IFRS Assignments must be completed today by 10 p.m.**  In-class hand-out  **Homework:**  Complete E11-6 and E11-19  Complete P11-8 |
| Nov. 23 | **Thanksgiving; No Class** |
| Nov. 28 | **Comprehensive Final Review**  In-class hand-out (cont.)  **Homework:**  Complete E11-20, E11-22, and E11-23, E11-24, E11-25, E11-26, E11-29, E11-30, E11-32, E11-35, and E11-37 |
| Nov. 30 | Review for Final Exam |
| Dec. 7 | **Section 004 9:30-10:50: Final Exam – 7:45 am – 10:15am** |
| Dec. 12 | **Section 050 11:00-12:20: Final Exam – 10:30am – 1:00pm** |

**Withdrawals:** If you decide to drop from this course, you are responsible for completing the proper paper work required to withdraw from the course.

#### Important dates

Last day to drop a course without receiving a “W” (fee liable) is August 25th.

Last day to drop a course without receiving an “F” (fee liable) is November 17th.

(Note: These dates are furnished for your convenience; you are responsible for confirming the accuracy of these dates with the university registrar.)

**School of Accounting Announcements and Events**

* Students are strongly encouraged to join our [LinkedIn Student Group](http://www.linkedin.com/groups/Current-FAU-Accounting-Students-4683023/about) and/or like our [Facebook Group Page](https://www.facebook.com/FAUSOA). LinkedIn® and Facebook® will provide important School of Accounting announcements, news, internships, job postings and events. You will also be able to connect with accounting students, alumni, and accounting professionals - an invaluable resource.
  + To join LinkedIn®, simply click on the link above. If you are already registered with LinkedIn, the link will take you to our home page. If you have not yet registered with LinkedIn, simply complete the short registration form.  Once you are at our home page, select join group.
  + To like our Facebook® page, simply click on the link above.  If you are already registered with Facebook®, the link will take you to our group page. If you have not yet registered with Facebook®, simply complete the short registration form.  Once you are at our group page, select like.
* Important student events are also posted in the School of Accounting Google Calendar.  Students are strongly encouraged to subscribe to the calendar and participate in the events.  All posted events are open to all students and provide an opportunity for students to build a strong professional network, a critical element for a successful career in business and accounting.
* To subscribe to the School of Accounting calendar from other applications, copy and paste the following URL into any calendar product that supports the iCal format (e.g., iPhone, Outlook).  Do not just click on the link below as this will only provide a copy of the current calendar.
  + <http://www.google.com/calendar/ical/fau.edu_enf3tksj4013stlllpjc91ri48%40group.calendar.google.com/public/basic.ics>
  + To access the School of Accounting Calendar in any web browser:
  + <http://www.google.com/calendar/embed?src=fau.edu_enf3tksj4013stlllpjc91ri48%40group.calendar.google.com&ctz=America/New_York>
  + To access the School of Accounting Calendar from other applications, copy and paste the following into any feed reader:
  + <http://www.google.com/calendar/feeds/fau.edu_enf3tksj4013stlllpjc91ri48%40group.calendar.google.com/public/basic>
* Current accounting students will receive the School of Accounting's e-Newsletter every second and fourth Monday of each month.
* Information is also available on the School of accounting website at (<http://soa.fau.edu>).

**Selected University and College Policies**

School of Accounting Policies

Students are responsible for School of Accounting policies available at <http://fau.edu/academic/registrar/FAUcatalog/business.php#accounting>.

***These policies are considered to be an integral part of this syllabus***.

Code of Academic Integrity Policy Statement

Students at Florida Atlantic University are expected to maintain the highest ethical standards. Academic dishonesty is considered a serious breach of these ethical standards, because it interferes with the university mission to provide a high quality education in which no student enjoys an unfair advantage over any other. Academic dishonesty is also destructive of the university community, which is grounded in a system of mutual trust and places high value on personal integrity and individual responsibility. Harsh penalties are associated with academic dishonesty. For more information, see [University Regulation 4.001](http://www.fau.edu/regulations/chapter4/index.php).

Disability Policy Statement

In compliance with the Americans with Disabilities Act (ADA), students who require special accommodation due to a disability to properly execute coursework must register with the Student Accessibility Services Office ([SAS](http://www.fau.edu/sas/)) – in Boca Raton, SU 133, (561) 297-3880; in Davie, LA 131, (954) 236-1222; in Jupiter, SR 117, (561) 799-8585 – and follow all SAS procedures.

Religious Accommodation Policy Statement

In accordance with rules of the Florida Board of Education and Florida law, students have the right to reasonable accommodations from the University in order to observe religious practices **and beliefs with regard to admissions, registration, class attendance and the scheduling of** examinations and work assignments.  For further information, please see [Academic Policies and Regulations](http://www.fau.edu/academic/registrar/FAUcatalog/academics.php).

University Approved Absence Policy Statement

In accordance with rules of the Florida Atlantic University, students have the right to reasonable accommodations to participate in University approved activities, including athletic or scholastics teams, musical and theatrical performances and debate activities. It is the student’s responsibility to notify the course instructor at least one week prior to missing any course assignment.

Incomplete Grade Policy Statement

A student who is passing a course, but has not completed all work due to exceptional circumstances, may, with consent of the instructor, temporarily receive a grade of incomplete (“I”). The assignment of the “I” grade is at the discretion of the instructor, but is allowed only if the student is passing the course.

The specific time required to make up an incomplete grade is at the discretion of the instructor. However, the College of Business policy on the resolution of incomplete grades requires that all work required to satisfy an incomplete (“I”) grade must be completed within a period of time not exceeding one calendar year from the assignment of the incomplete grade. After one calendar year, the incomplete grade automatically becomes a failing (“F”) grade.

Withdrawals

Any student who decides to drop is responsible for completing the proper paper work required to withdraw from the course.

Grade Appeal Process

A student may request a review of the final course grade when s/he believes that one of the following conditions apply:

* There was a computational or recording error in the grading.
* Non-academic criteria were applied in the grading process.
* There was a gross violation of the instructor’s own grading system.

The procedures for a grade appeal may be found in [Chapter 4 of the University Regulations](http://www.fau.edu/regulations/chapter4/index.php).

Disruptive Behavior Policy Statement

Disruptive behavior is defined in the FAU Student Code of Conduct as *“... activities which interfere with the educational mission within classroom.”* Students who behave in the classroom such that the educational experiences of other students and/or the instructor’s course objectives are disrupted are subject to disciplinary action. Such behavior impedes students’ ability to learn or an instructor’s ability to teach. Disruptive behavior may include, but is not limited to: non-approved use of electronic devices (including cellular telephones); cursing or shouting at others in such a way as to be disruptive; or, other violations of an instructor’s expectations for classroom conduct.

**Faculty Rights and Responsibilities**

Florida Atlantic University respects the right of instructors to teach and students to learn. Maintenance of these rights requires classroom conditions which do not impede their exercise. To ensure these rights, faculty members have the prerogative:

* To establish and implement academic standards
* To establish and enforce reasonable behavior standards in each class
* To refer disciplinary action to those students whose behavior may be judged to be disruptive under the Student Code of Conduct.