



92288 - ACG 3141 – 006

INTERMEDIATE THEORY 2 (3 credit hours)

Fall 2012

Tuesdays, 7:00 p.m. – 10:00 p.m.

**Instructor:** Sherry L. Young, MBA, CPA  
(954) 236-1188 (Davie)  
Email: [syoung15@fau.edu](mailto:syoung15@fau.edu) (*THIS IS THE BEST WAY TO CONTACT ME!*)

### Office Location, days, and hours

<u>Location</u>	<u>Days</u>	<u>Time</u>
LA Building 433	Tuesdays	8:15 a.m. – 9:15 a.m.
LA Building 433	Tuesdays	5:30 p.m. – 6:30 p.m.
LA Building 433	By Appointment	

Please note that during office hours if I have a student in my office I will not answer the telephone – please leave a message on my voice mail.

**Blackboard Site:** [blackboard.fau.edu](http://blackboard.fau.edu)

**USE OF BLACKBOARD SITE:** Some materials for this course will be available on the FAU Blackboard website ([blackboard.fau.edu](http://blackboard.fau.edu)). **You are expected to access the Blackboard website daily to check for syllabus updates, announcements, assignments, and other course materials. Not checking blackboard is not an excuse**

### **REQUIRED TEXTS & MATERIALS:**

- Spiceland, Sepe, & Nelson. Intermediate Accounting. 6th ed. Irwin/McGraw-Hill, 2011.
- May & May. Effective Writing: A Handbook for Accountants. 9<sup>th</sup> ed. Prentice Hall. This is a required text for accounting majors at FAU. You will need it for writing assignments in many classes.
- Wiley CPA Exam Review 2012, Financial Accounting and Reporting. Patrick R, Delaney , O. Ray Whittington. ISBN: 978-0-470-92392-4
- [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 and Microsoft word.



### **School of Accounting Discussion List**

If you major or minor in accounting, you are expected to subscribe to the School of Accounting discussion list. On this list is posted valuable announcements and all students are responsible for anything posted to this list. To subscribe, e-mail Susan Dobson at [dobson@fau.edu](mailto:dobson@fau.edu) and request to be added to the discussion list.

### **CATALOGUE DESCRIPTION:**

Intermediate Theory 2 (ACG 3141) 3 credits  
Prerequisite: ACG 3131

A continuation of ACG3131. An in-depth study of accounting transactions, their effect on financial statements, and the impact that management decisions have on financial statements.

Students lacking proper prerequisites may be administratively withdrawn from this or any other accounting course at any time during the term without receiving a tuition refund.

### **COURSE DESCRIPTION & OBJECTIVES:**

This course is a continuation of ACG 3131. You will learn applied professional research skills, while continuing to develop oral and written communication skills. You will hone these skills through the study of a variety of revenue recognition and expense versus capitalization topics. You will also develop an understanding of the accounting cycle and debits and credits. You should review <http://www.aicpa.org> for a discussion of relevant competencies expected of accounting graduates. This course is designed to help you gain many of these competencies.

The learning outcomes for this course are the following:

1-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 direct method of reporting cash flows, with a basic review of the indirect method.

2-Determine how to properly account for the acquisition, disposition, and exchanges of assets, including self-constructed assets. Obtain a basic understanding of costs that qualify as research and development expense.

3-Calculate depreciation and amortization using different cost allocation methods. Also, additional issues pertaining to utilization and impairment of assets will be addressed.



4-Obtain an understanding of long-term debt with the focus on bonds. Calculate the selling price of bonds and prepare amortization schedules. Obtain knowledge of the financial statement presentation and disclosures for bonds. Analyze how to accrue interest when financial statements are prepared between interest dates.

5-Determine how to account for debt when it is retired early. Also determine how to account for debt that can be converted into stock or contains an option to purchase stock.

6- Analyze investment transactions (*e.g. significant influence*) to determine their effect on financial statements, if any, and properly categorize the investments as held-to-maturity, available-for-sale, or trading securities. Understand the fair value and equity methods of reporting for investments.

7-Understand how to record leases based on both the lessee and lessor's perspective. Calculate present value of minimum lease payments taking into consideration concepts such as bargain purchase options, guaranteed residual value, etc.

8-Obtain an understanding of shareholder's equity, how to record transactions, and how to properly present and disclose information pertaining to shareholder's equity.

**GRADING SCALE:**

The grading scale, which may be modified to allow for a curve if warranted, is tentatively 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

Tentative Grading Policy - Points will be allocated as follows:

4 Exams	Between 50-100 points each
IFRS Assignment(s)	30 points
Excel Assignment	10 points

**Exams:** There will be four exams - Some exams may include a take home problem(s) at the discretion of the professor.

**International Financial Reporting Standards (IFRS) Assignment(s):** Details regarding the assignment(s) will be posted on Blackboard.

**Excel Assignment:** Details regarding this assignment will be posted on Blackboard.

### **Additional Course Policies**

#### **Missing Exams**

Makeup Policy: Make-up exams will be given only at my discretion and only in cases of extreme hardship (e.g., hospitalization of student, death of immediate family member, unavoidable out-of-town business). If at all possible, you should speak with me prior to the exam in order to receive permission to take a make-up exam. Failure to seek prior approval will greatly reduce your chance of receiving make-up privileges. If you miss an exam and are not allowed to make up the exam, you will be given a zero for that exam.

#### **Late Assignments**

Late assignments will only be accepted by the professor at her discretion. Note: Writing assignments if applicable in the current semester will be accepted after the due date; however, your grade will be reduced by 10% of the total possible points for EACH DAY that the assignment is late.



### **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 Blackboard.*

**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.**

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 Blackboard on a daily basis. Not checking your e-mail or Blackboard 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.

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.*

Please note: Software may be used at the instructor’s discretion for evaluating assignments for plagiarism.

*For more information, refer to Code of Academic Integrity and FAU regulations links below*

[http://www.fau.edu/regulations/chapter4/4.001\\_Code\\_of\\_Academic\\_Integrity.pdf](http://www.fau.edu/regulations/chapter4/4.001_Code_of_Academic_Integrity.pdf)

<http://www.fau.edu/regulations/>

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**Tentative Schedule for Fall 2012:**

<b>Date</b>	<b>Work that should be completed prior to the class meeting</b>  <b>BE = Brief Exercise, E = Exercise, P = Problem, CA = Concepts For Analysis, CAC = Comparative Analysis Case, RC = Research Case, CC = Communication Case, AC = Analysis Case, EC=Ethics Case, RWC = Real World Case, ITC = Integrating Case, IC = International Case</b>
Aug. 21	Read Chapter 14 (pages 747-764) & Read Appendix 14A (Page 779-780)  In class hand-out(s)  Complete Exercises 14-2, 14-5, 14-6, and 14-9  Complete Exercise 14-10 ( <i>use the data from the problem to construct statement of cash flows, income statements and balance sheets for the years ending 12/31/11 and 12/31/12 like the handout we did in class.</i> )  Complete Exercises 14-30 and 14-11  Complete Problems 14-3, 14-4, and 14-5 Complete Exercises 14-18, 14-3 and 14-4
Aug. 28	Read Chapter 10 (pp. 502-506, 509-521, 526-532)  In class hand-out Complete Exercises 10-1, 10-2, 10-3, 10-5, 10-6, 10-7, 10-8, E10-9, and E10-11 Complete Exercises 10-13, 10-14, 10-15, 10-16, 10-17, 10-18, and 10-28  Complete Problems 10-3, 10-4, 10-5, and 10-7
Sept. 4	Read Chapter 10 (Part C pages 521-532) In class hand-out(s)  Complete Exercises 10-23 and 10-24 Complete Problem 10-9 and 10-10  Complete Exercises 10-25 and 10-26 Complete Problem 10-11



Sept. 11	<b>Exam 1</b>
Sept. 18	Read Chapter 12  Complete Exercises 12-2, 12-3, 12-4, 12-5, 12-7, 12-9, Complete Problem 12-7  Complete Exercises 12-12, 12-13, 12-14, 12-16, 12-17, and 12-18 (IFRS)  Complete Problem 12-9  Read Chapter 14 (pages 775-778) Complete Exercises 14-27 and 14-28
Sept. 25	Read Chapter 11 (pp. 558-565, 571-577, 580-589)  Read bottom of page 591–592 Cost of Defending Intangible Rights  Complete Exercises 11-2, 11-3, 11-10, 11-14, 11-15, 11-16, 11-18, and 11-19 Complete Exercises 11-22, 11-24, 11-25, 11-27, 11-32, and 11-33  Complete Problems 11-6 and 11-8
Oct. 2	Finish Chapters 11&12
Oct. 9	<b>Exam 2</b>
Oct. 16	Read Chapter 21  <b>Focus on the Direct Method of Cash Flows</b>  Complete Exercises 21-1, 21-2, 21-14, and 21-27 Complete Problems 21-1, 21-2, 21-3, 21-4, 21-5, 21-6, 21-8 (Complete requirement 1 only) and 21-11
Oct. 23	<b>Read Chapter 15 – Download chapter (pdf file) from blackboard FOCUS ON THE ACCOUNTING BY THE LESSEE ONLY</b>  Print off the Operating and Capital Lease Exercise posted in the Course Documents section of Blackboard. Begin working on the exercise and bring your work to class.  Complete Exercise 15-17 from textbook





Oct. 30	Finish Chapters 15& 21
Nov. 6	<b>Exam 3</b>
Nov. 13	<b>Re-read Chapter 15 (download chapter (pdf file) from blackboard)</b>  <b><i>FOCUS ON THE ACCOUNTING BY THE LESSOR</i></b>  Print off the Lessor Operating and Capital Lease Exercise posted on blackboard and complete as much of the exercise as you can. Complete Exercise 15-18 from textbook
Nov. 20	Read Chapter 18  Complete Exercises 18-4, 18-5, 18-7, 18-11, 18-13, 18-18, 18-19 and 18-20
Nov. 27	Complete Problem 18-8, 18-9, 18-10, and 18-11
Dec. 4	<b>Final Exam - 7:00 p.m.</b>

**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 24<sup>th</sup>.

Last day to drop a course without receiving an “F” (fee liable) is October 12<sup>th</sup>.

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

**Selected University and College Policies**

**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](#).



### Disability Policy Statement

**Students with Disabilities:** “In compliance with the Americans with Disabilities Act (ADA), students who require special accommodations due to a disability to properly execute coursework must register with the office for Students with Disabilities (OSD) located in Boca Raton in SU 133 (561-297-3880), in Davie in LA 240 (954-236-1222), in Jupiter SR 117 (561-799-8585), or at the Treasure Coast – CO 128 (772-873-3305), and follow all OSD 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](#).

### 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.

### College of Business Minimum Grade Policy Statement

The minimum grade for College of Business requirements is a “C”. This includes all courses that are a part of the pre-business foundation, business core, and major program. In addition, courses that are used to satisfy the university’s Writing Across the Curriculum and Gordon Rule math requirements also have a minimum grade requirement of a “C”. Course syllabi give individualized information about grading as it pertains to the individual classes.

### 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.

Note that an “Incomplete” is not a substitute for a poor grade and is rarely granted. In accordance with the policy of the School of Accounting and the College of Business, an “Incomplete” will be given only under the following circumstances:

1. You are otherwise passing the course (at least a C).
2. You have an excused absence that prevented the on-time completion of the course requirements.

#### 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](#).

#### 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.



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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.