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and to empowering leaders for a just and humane world.*

**Seattle University  
Albers School of Business & Economics  
Intermediate Accounting II (ACCT 5120)  
Winter Quarter 2018**

**PROFESSOR:** Niranjan "Chips" Chipalkatti

**OFFICE:** Pigott 515B

**CLASS TIME:** W 6 to 8:40 pm

**PHONE:** 206-296-5764

**CLASS ROOM:** Pigott 200

**OFFICE HOURS:** W 3:00 pm to 5:30 pm. And by appointment.

The Discussion Forum is a great way to connect with me for course related queries.

**CANVAS:** <https://seattleu.instructure.com/courses/1575502>

**E-MAIL:** [chipalka@seattleu.edu](mailto:chipalka@seattleu.edu)

Please use email for questions that are private in nature. For course related queries, I would prefer that you use the discussion forum. That way everyone benefits from our discussion.

As a general rule I do not respond to e-mails after 9 pm.

**COURSE DESCRIPTION**

The intermediate financial accounting courses are designed to prepare the student for a career in professional accounting. Upon conclusion of the sequence the student should: (1) understand the issues involved in accounting policy choice; (2) understand the process and the conceptual framework according to which accounting standards are set in the United States as well as internationally, and (3) have in-depth knowledge of accounting for transaction, events and adjustment affecting assets, liabilities, shareholders' equity, revenues, expenses, gains and losses.

**Prerequisite:** ACCT 5110 Intermediate Financial Accounting I

**LEARNING OBJECTIVES:**

- (1) To develop an in-depth understanding of the theory and current practice of financial accounting for the liability and equity sections of the balance sheet and related accounts of the income statement.
- (2) To develop an in-depth understanding of revenue recognition issues and the calculation of earnings per share.
- (3) To reinforce skills valued by the accounting profession including communication skills & analytical skills .
- (4) *To evaluate the accounting implications of an economic event by applying the principles, standards, and practices of financial accounting and to be able to recommend a course of action in an external reporting situation using accounting standards.*

## **REQUIRED MATERIALS**

1. “Intermediate Accounting,” 16th edition, by Kieso, Weygandt and Warfield: Wiley.
2. Wiley Plus Software: The Wiley Plus software should be included with your book if you bought it at the SU bookstore or elsewhere with the wiley software included. For those of you who do not have the software, you may register/purchase the same at [wileyplus.com](http://wileyplus.com). Assignments and quizzes will be available and worked on this software.

The Wileyplus URL is [www.wileyplus.com/class/621175](http://www.wileyplus.com/class/621175)

3. FASB Accounting Standards Codification (free).I will provide you the login details in class.

## **“FLIPPED” CLASSROOM**

I strongly recommend all students to view the “Narrated Power Point slides” for each chapter (especially for the Bonds, Deferred Tax and Leases chapters) before we do the chapter itself. An option, of course, is to read the chapter ahead of time! What this means is that you will understand the lecture content better and be ready to work through problems and cases in class. Intermediate Accounting 2 material is difficult.

## **HOMEWORK**

It is virtually impossible to succeed in this course if you do not complete your homework. For each chapter, I will assign homework problems that will be due on a specified date to be considered for the homework grade. It is critical that you learn how to complete homework problems without any assistance from your book or posted solutions. Typically this does not happen the first time you attempt a problem but improves with practice. Homework solutions for assigned problems will be available on the Wiley Plus software after the due date. All homework assignments are preloaded on the Wiley Plus course website. Also, there are additional problems for each chapter on Wiley Plus. You will receive full credit for the homework as long as you obtain a score of 70% or above. If you obtain a score that is between 50% and 69%, you will only get 50% of the HW grade for that chapter’s assignment. Effort also means a good faith attempt to complete the assignment on our own without copying someone else’s work. The latter will result in a score of zero in your homework on the grounds of academic dishonesty.

## **LAPTOP POLICY**

The use of laptops, tablets or smart phones in class to take class-notes, view class material or work on in- class projects is allowed and encouraged. However, please do not use laptops, tablets, netbooks or smart phones in class for any other non-class related activity (including instant messaging, web-browsing, etc.) unless specifically permitted by the instructor.

## **WRITTEN GROUP ASSIGNMENT**

This assignment is worth 15% of your overall grade. You may form a group of no more than two persons for this assignment. You may not work on this case on your own without my explicit permission.

This assignment will be graded for content (80%) & for writing skills (20% for grammar, structure and presentation). Your assignment should (*where appropriate*):

- (a) Clearly describe the problem at hand,

- (b) Describe the alternative accounting treatments available, (consider analogous treatments or accounting for similar items)
- (c) Choose an accounting treatment based on GAAP guidance (& not your opinion),
- (d) Reject alternatives based on GAAP guidance (& not your opinion),
- (e) Provide the accounting entries for whatever is feasible,
- (f) Provide a logical explanation of your chosen alternative,
- (g) Conclude.

For samples of good writing, all you need to do is read articles from *The CPA Journal* and *Journal of Accountancy* that are available through the library. Make sure your group thinks through its arguments and arrives at some consensus decision as to accounting treatment. Ambiguity in your response will result in a reduction of points. Be assured that I am not looking for the ONE CORRECT WAY but I will be evaluating you on your research skills and your writing skills. I want to see how you logically justify, by using coherent arguments based on GAAP, your chosen alternative. Make sure that all GAAP used in your write-up are properly referenced. This means that you will primarily be using **ASC** references for U.S. GAAP.

**Assignment: To be assigned**

Due Date: March 19<sup>th</sup> at 12 midnight

### **INFORMAL PRESENTATIONS**

This assignment also requires you to work in a group of two persons. Each group will be assigned or can select a topic from the course. The group is expected to research and obtain an example of the same from any company's Form 10K filing. For example, I will be using Harley Davidson to demonstrate disclosures related to warranty liabilities. On an assigned date, the group will show a PowerPoint slide and present their findings to the class for no more than 5 minutes. These 5 minute sessions will start from Sept 28th. Each group should:

- (a) Inform us about their company (brief)
- (b) State the nature of its business (brief)
- (c) Discuss the disclosures made by the company for the assigned topic (e.g. warranty liability)
- (d) Discuss the accounting policy that company has adopted for the assigned topic (e.g. warranty liability)

The grading for this assignment will be based on the following factors:

- (1) Is the example used by the group relevant?
- (2) Do you have good slides?
- (3) Can you explain the facts clearly?
- (4) Can you be heard from the back of the classroom? Do you make eye contact with your audience?

Essentially, I am looking for good presentation skills and an ability to explain a complex accounting topic to an audience.

### **EXAMS**

There will be two exams. The final exam may include chapters from the mid-term exam. Exams will test your knowledge and understanding of the chapter material covered in class, topics discussed in class and assigned homework. They may consist of multiple choice questions, short problems and/or short essays. Both quantitative and conceptual knowledge will be tested. The

exams will be closed book. Financial calculators are allowed during the exam. Laptop computers & mobile devices *are not allowed*. No make-up exams will be given without prior permission from me.

### OTHER POLICIES

**Class participation:** Participation is strongly encouraged as it makes the class interesting and you get an opportunity to interact with me. It is my job to facilitate your learning process and also to challenge you. Please feel free to share your professional experiences that relate to the topic at hand. Also, remember that will be a “flipped classroom” and participation and collaborative learning is essential to its success.

**Attendance:** This class moves very quickly. You are expected to attend the class on time and be prepared for each class session. This is a rigorous and time-consuming class. It also tends to be cumulative which means that if you fall behind it is very difficult to catch up. In case of a planned absence, please notify me. Also, **please read the chapter prior to class**, use the narrated power points, go through the chapter notes and attempt problems on your own. Do not hesitate to contact me if you have specific questions about the material.

**Academic Honesty:** The University Academic Honesty Policy will be strictly followed. This policy is now included in the on-line Academic Policy Manual maintained by the Registrar's Office, and can be found at <https://www.seattleu.edu/media/redhawk-axis/registrar/registrar-policies/Academic-Integrity-2011-3.pdf>. It is also included in the on-line Student Handbook. To uphold the integrity of the academic grading process, all forms of cheating will result in the severest consequences to involved students. I consider all forms of cheating on exams and homework or plagiarism (including copying computer files) to be a violation of the Honesty Code as noted in the Seattle University Student Handbook. Homework and Excel assignments must be completed on an individual basis. Copying homework or computer files is also considered to be plagiarism.

### **Students with Disabilities:**

If you have, or think you may have, a disability (including an ‘invisible disability’ such as a learning disability, a chronic health problem, or a mental health condition) that interferes with your performance as a student in this class, you are encouraged to arrange support services and/or accommodations through Disabilities Services staff in the Learning Center, Loyola 100, (206) 296-5740. Disability-based adjustments to course expectations can be arranged only through this process. Please do so within the first week of the quarter itself.

### GRADING

Grades will be based on your performance on the following items:

Exam 1	30 %
Exam 2	35%
Homework	10 %
Written Group assignment	20 %
Informal Presentation	<u>5%</u>
Total	<u>100 %</u>

Your course grade will be determined by your performance in class as follows:

The final grade will be assigned according to the following scale:

A	96-100%
A-	90-95
B+	87-89
B	84-86
B-	80-83
C+	77-79
C	74-76
C-	70-73
D	65-69
F	0-64

**Class Schedule:** This schedule is subject to change as we go along.

**Your homework will be assigned on WileyPlus. Please check Wiley Plus for due dates.**

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<b>Date</b>	<b>Chapter: Topic</b>
January 10	Introduction; Chapter 13 (L.O. 4, 5 & 6
January 17	Chapters 13 & 14
January 24	Chapter 14
January 31	Chapter 14 & Chapter 16 (Convertible Bonds and Bonds with Warrants)
February 7	Chapter 15 & Chapter 16 (Stock Compensation & EPS)
February 14	<b>Exam 1 from 6 to 7:45 pm: Chapters 13 to 16</b>
February 21	Chapter 18
February 28	Chapter 19
March 7	Chapter 21
March 14	Chapter 22
March 21 <sup>th</sup> (Wednesday, 6 to 8 pm)	<b>Exam 2: Chapters 18, 19, 21, 22</b>

## **Topics for informal presentation**

- 1. ARO & related disclosures**
- 2. Bond issuance or Bond Retirements with company's rationale**
- 3. Disclosures related to bonds**
- 4. Treasury stock**
- 5. Convertible Debt**
- 6. Stock Compensation plans - related notes**
- 7. Income Taxes & related disclosures**
- 8. Leases & related disclosures**
- 9. Revenue recognition ASC 606**