WQ15 ACCT 5110 INTERMEDIATE FINANCIAL ACCOUNTING I
PIGT 100

INSTRUCTOR AND CLASS INFORMATION
Instructor: Marinilka B. Kimbro
Office: PIGT 505
Phone: 206-296-5716
E-Mail: kimbrom@seattleu.edu
Lecture times Mondays 6:00 – 9:10PM PIGT 100
Office Hours: Mondays 3:30 – 5:30PM, after class until 9:30PM and by appointment.
CANVAS: https://seattleu.instructure.com/login
WILEY Plus: http://edugen.wileyplus.com/edugen/domain/dmn79084/
Final Exam: Friday, March 20, 2014

COURSE OBJECTIVES
• To understand the role of financial reporting in the development and functioning of efficient capital markets and optimal capital allocation processes.
• To learn the conceptual framework underlying Financial Accounting and Financial Statements.
• To review the process of accumulating, identifying, measuring and recording financial information.
• To understand the accounting equation and its linkage to the income equation.
• To understand the use of accounting information for internal as well as for external decision makers.
• To learn how to interpret the financial condition and performance of a profit-oriented business using the accrual accounting model under U.S. GAAP and IFRS
• To understand the practical implications of how businesses actually function, and how these reflect on financial reporting.
• To understand the Balance Sheet structure and the role of financial disclosures
• To learn how to prepare and analyze the Income Statement, Balance Sheet and Statement of Cash Flows from the point of view of different stakeholders.
• To understand the environment and theoretical structure of financial accounting
• To understand the theory of cash and account receivable recording and recognition.
• To understand the theory of recording the acquisition, dispositions, utilization and impairment of Property, Plant, and Equipment and Intangible Assets.
• To understand the theory of recognition and measurement of Inventory.
• To analyze ethical dilemmas in financial accounting while developing the necessary analytical skills to recognize them and deal with them.
• To learn how to evaluate the impact of differences in various financial reporting environments (accounting rules and principles) and their influence in the functioning of international markets.

• To understand the movement towards convergence and International harmonization of Financial Accounting.

**COURSE DESCRIPTION**

Intermediate Financial Accounting I is the first part of a two course sequence that will focus on giving you a deeper understanding of the financial accounting process. The two part series follows a sequence that covers the accounting theory of assets, liabilities and equity accounts. Upon conclusion of the Intermediate Accounting series 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; (3) have in-depth knowledge of accounting for transactions, events and adjustments affecting assets, liabilities, shareholders’ equity, revenues, expenses, gains and losses. In this first part we will cover the first 12 of a series of 24 chapters. In particular, we will cover: accounting principles, standards, the conceptual framework to financial reporting, the preparation of the income statement, balance sheet, OCI and statement of cash flows. We will also cover the basic concepts of “time value of money”, as well as accounting recognition and measurement of cash, account receivables, inventories, PPE and intangible assets. However, we will be exposed to some aspects that we will be covered in more detail in Intermediate Financial Accounting II. Also, we will cover other relevant information that might be timely and relevant to the course: i.e. new FASB agenda items, etc.

Since all students must have completed the introductory accounting courses, I will assume that you understand the complete accounting cycle (Chapter 3). That is, you must review the process of bookkeeping: journal, adjusting and closing entries; as well as preparation of Balance Sheet, Income Statement and Statement of Cash Flows before class starts. I will very briefly review Chapter 3 during the first day of class and you will have this opportunity to ask questions and related clarifications. You will have an in class quiz of Chapter 3.

We will start by learning the role and relevance of accounting information and how it affects capital markets. The course will then briefly review the conceptual foundation of accounting and the principal elements of the accounting model (the cycle, financial statements and their linkages) and study the Income Statement, Balance Sheet and Statement of Cash Flows updating recent FASB standards and addressing the preparation of the Income Statement. Once this general overview is covered, we will breaks new ground with in-depth coverage of revenue recognition and the assets side of the balance sheet.

The course will teach all the technical aspects of financial accounting theory emphasizing the use of accounting as a tool for decision-making and problem solving through the use of analytical, creative and critical thinking. Therefore, students will be expected to demonstrate their knowledge of accounting and financial reporting issues through written and oral analysis. Since the course objectives are practical and technical in nature, computer assisted analysis will also be used for the assignments. Therefore students will need good quantitative skills as well as strong analytical skills for their class participation, assignments, and final exam.

In view of the recent financial market crisis, I will include these topics in our class discussions. Also, because the recent “financial scandals” we will also learn the problems associated with accounting flexibility while evaluating the appropriateness of accounting policies and estimates.
Prerequisite: ACCT 231

**Graduate Accounting Program Objectives**

1. Prepare and evaluate financial statements according to generally accepted accounting principles and identify, explain, research, resolve, and communicate related accounting issues, including ethical implications of alternatives.
3. Demonstrate skills and abilities relevant to the accounting profession, including effective written and oral communication and working effectively in teams.
4. Be sensitive about and involved with the needs of communities beyond the boundaries of their professional community.

**METHODOLOGY AND CLASS STRUCTURE**

In general, with the exception of Chapter 3, the class discussions will follow the order of the textbook. However we will ALSO discuss current media articles related to financial accounting topics as well as new FASB pronouncements that could change reporting guidelines. Of course, this material will also be part of the course and therefore will be a component of the exams.

Please note that in order to meet the challenges of ACCT 311 it is fundamental that you keep up with the assignments and come to class ready to participate. The book’s website has excellent resources for you to practice the theory that we will cover in class. Also you are required to complete the online HW assigned in Wiley-Plus.

The class will evolve according to the level of discussion and interaction, based on the order of the program. Thus, the schedule is just a framework in which the course will develop. At the end of the course there will be a practical, objective and comprehensive final exam.

**REQUIRED**

**CALCULATOR:** You are required to buy a calculator and bring it to class. Any calculator will work. But it would be preferable if you get a good financial calculator since it will facilitate completing some problems. Also, you will be required to get a good financial calculator for other classes so you might as well get it now and familiarize yourselves with it.

- The HP12C or the more simple Texas Instruments TI BA II plus are both great.

**INTERMEDIATE ACCOUNTING with WileyPLUS**

By: Kieso, Weygandt & Warfield
WILEY, 15th Ed. 2013
ISBN-13 978-1-118-14729-0

**WILEYPlus:** [http://edugen.wileyplus.com/edugen/domain/dmn79084/](http://edugen.wileyplus.com/edugen/domain/dmn79084/)
Access to the **FASB Accounting Standards Codification** is below:

http://aaahq.org/ascLogin.cfm

Username - AAA52291 Password - Zkne5n8

All homework and quizzes will be available through WILEYPlus.

You are strongly encouraged to buy the textbook, since, as stated below, there will be an open book section in the final exam and the take home quizzes can only be completed through your individual WILEYPlus account. Please note that I will not accept the illegal use of photocopied material, without proof of copyright permission by the authors and/or the publishers as per Law.

**REGULAR READINGS:**

You must keep abreast of the general business news and read the Business Section of the local newspaper as well as The Wall Street Journal, or Financial Times. Occasionally I will bring to class additional readings of local news that we will discuss in class as they relate to the class coverage.

We will discuss accounting issues as they relate to this class such as: new FASB proposed standards, Sarbanes-Oxley, SEC mandated restatements and IFRS conversion issues, among others.

**COURSE EVALUATION**

Your final grade in this course will be based on class assignments and participation, one partial exam, a case, and a final COMPREHENSIVE exam, as stated below.

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Exam 1</td>
<td>30%</td>
</tr>
<tr>
<td>Daily class participation</td>
<td>10</td>
</tr>
<tr>
<td>In class QUIZ (Chapter 3)</td>
<td>10</td>
</tr>
<tr>
<td>WILEYPlus HW</td>
<td>5</td>
</tr>
<tr>
<td>Take home, 4 WILEYPlus quizzes</td>
<td>20</td>
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<tr>
<td>Final Comprehensive Exam</td>
<td>25</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100%</strong></td>
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The final grade will be assigned according to the following scale:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
<th>GPA</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>93-100 %</td>
<td>4.00</td>
</tr>
<tr>
<td>A-</td>
<td>90-92</td>
<td>3.70</td>
</tr>
<tr>
<td>B+</td>
<td>87-89</td>
<td>3.33</td>
</tr>
<tr>
<td>B</td>
<td>84-86</td>
<td>3.00</td>
</tr>
<tr>
<td>B-</td>
<td>80-83</td>
<td>2.70</td>
</tr>
<tr>
<td>C+</td>
<td>77-79</td>
<td>2.30</td>
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<tr>
<td>C</td>
<td>74-76</td>
<td>2.00</td>
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<tr>
<td>C-</td>
<td>70-73</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>65-69</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>0-64</td>
<td></td>
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</tbody>
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EXAMS

Everything discussed in class will be examinable material. Please note that our class discussions will go beyond the book’s theory, since we will discuss contemporary class related news as well as US-GAAP and IFRS developments. So, you must keep up with these additional class discussions.

There will be one partial exam and one comprehensive final exam. All exams will reflect the coverage on the new-format of the CPA examination. The nature of the exams will be a mix of: a small matching section, multiple-choice questions and one or two problem/small cases: that test you analysis, judgment, communication and understanding of the theory.

- You must show all your work to receive credit on a computational problem.
- No credit will be given for an unsupported answer, even if the answer is correct.

You must bring pencils, erasers, calculator, etc. to each exam. I will not permit calculator sharing during the exam, phones or “programmable” calculators.

There will be a 10 minutes open book section at the end of the partial exam and a 15 minutes open book section at the end of the final comprehensive exam. At that time, you will be advised that you can use your book.

The open book section will be strictly for ONE bounded book during the specific time allowed. No loose pages or documents will be permitted.

We will go over the midterm exam in class. You cannot take pictures or copy the exam. However, you can make notes while in class. You will not be allowed to discuss the exam at any other time than the time dedicated to this in class. If you can’t make it to class during our discussion of the misterm because of an excused absence, you can make an appointment with me to see the exam within 10 days of the exam discussion. Please note that notifying me of an absence DOES not constitute an excused absence.
Makeup exams will be given only under extraordinary circumstances and with my prior permission. Please do not book tickets (or have your parents book tickets) for travel prior to the completion of the final exam week. Please plan family events after the final exam week.

**CLASS PARTICIPATION**

Intelligent, **relevant and to-the-point** discussion is expected of each student and will be an important part of the general evaluation of the course. I view class participation as both an opportunity and a responsibility. Class participation provides an opportunity for students to practice important career skills in a low-cost environment. Among other skills, these include the ability to express and defend one’s ideas. The cost of not having developed these skills will increase as you progress in your career (e.g., lost promotions). Class participation is also a responsibility, because students who attend class expect to learn from the viewpoints of their classmates (I also expect to learn from you!). Non-participating students do not provide their classmates and instructor with this important benefit. I therefore reserve the right to “cold call” students who are not participating in class discussions. My intent is not to embarrass you; rather, it is to help you get involved in the discussion where all of us can benefit from your comments. Unexcused absences will **definitely** affect your class participation grade. Please be aware that **just coming to class is NOT class participation.**

I will focus primarily on the quality of your input in grading class participation, however, it usually takes at least some quantity of participation to make that evaluation. I grade participation each session. A no-show attracts a zero. You are expected to attend ALL classes. You cannot make-up a class discussion that you have missed.

**GRADING CRITERION FOR CLASS PARTICIPATION** (all conditions apply)

- **90% or more** Extremely involved in almost all class discussions;
  Helped create an exciting class discussion on a regular basis;
  Occasionally provided relevant OUTSIDE of class reading material.

- **80% or more** Involved in almost all class discussions;
  Typically helped create an exciting class discussion;
  Once provided relevant outside reading material with some comments;

- **70% or more** occasionally got involved in class discussions;
  Did not detract from creating an exciting class discussion;

- **60% or more** had some participation in classes: 50 – 60% of classes
  Did not detract from creating an exciting class discussion;

- **50% or less** Had a few interventions in class: 30 – 40% of classes
  Did not detract from creating an exciting class discussion;

- **40% or less** Had only two or three interactions in class 20-30% of classes
  Did not detract from creating an exciting class discussion;
CLASS ASSIGNMENTS
The assignment for each class meeting consists of some reading as well as some recommended practice problems. You are encouraged to practice with additional problems.

Since we have limited time, assigned problems will not be discussed during the class sessions, although we will discuss some problems in class. Of course, if you have a specific question about an assigned problem that we have not discussed in class, you can contact me and I will arrange a meeting to discuss it during my office hours or after class.

This is a rigorous and demanding course, and you should plan to spend at least 4-6 hours per week in advance preparation. Working on assigned problems is a critical factor in successful completion of this course. Collaborative learning is used in this course to deal with assignments. Students are encouraged to discuss all assignments with their classmates.

Please note that assignment exercises and problems could require two to three hours for completion, in addition to the regular time required to read the theory. The importance of homework is highly emphasized. You MUST practice as much as possible.

QUizzes
There will be an IN-CLASS quiz for Chapter 3 in the second class session as per the schedule below. All other quizzes will be online and are due on the scheduled date. I will open the online quizzes at least 24 hours before the date and time that it is due. All quizzes are timed so please make necessary arrangements to make sure that you can start and finish the quiz on time.

I will not provide any extensions. However, I will only count the highest 4 grades.

COMMUNICATION
I will communicate through e-mail, and I’ll post frequent announcements, so please check your e-mail and CANVAS on a daily basis. I also check my e-mail many times during the day, so PLEASE use e-mail to communicate with me. DO NOT leave any phone messages in my voice mail. If you need to talk to me, outside of office hours, please send an e-mail with your phone number and I’ll try to call you ASAP.

LAPTOPS
The use of laptops, netbooks or PDAs in class to take notes, view PowerPoints or work on class projects is allowed. However, you are not allowed to use laptops, netbooks, PDAs or phones in class for any other non-class activity (including instant messaging, web-browsing, etc.) unless specifically instructed.

AUDIO AND VIDEOTAPING
Audio and videotaping for any class session is strictly prohibited without prior approval.
**ACADEMIC HONESTY STANDARDS**

I expect that you will abide by the University’s Academic Honesty Code. “Seattle University is committed to the principle that academic honesty and integrity are important values in the educational process and that violations in this area should be dealt with in the appropriate manner.” Link: [https://www.seattleu.edu/registrar/Policies.aspx](https://www.seattleu.edu/registrar/Policies.aspx)

If you are not sure about whether a particular action is acceptable according to the Academic Honesty Code, you should check with me before engaging in it. Verified instances of plagiarism, cheating and the usage of unauthorized sources in exams, papers and other academic projects will lead to a severe penalty.

All written work must be your own except when an assignment explicitly states that teamwork is acceptable or required. Moreover, all your work must be original to this class. To avoid plagiarism, you must correctly cite the source of any idea that is not your own (from books, magazines, newspapers, Internet sites, etc.) using APA reference style, or other similar citation styles. You may reference the APA style online at:

- [http://www.apastyle.org/elecref.html](http://www.apastyle.org/elecref.html)
- [http://humanities.byu.edu/linguistics/Henrichsen/APA/APA01.html](http://humanities.byu.edu/linguistics/Henrichsen/APA/APA01.html)

**UNIVERSITY RESOURCES AND POLICIES**

Academic Resources

- Library and Learning Commons ([http://www.seattleu.edu/learningcommons/](http://www.seattleu.edu/learningcommons/))
  
  *(This includes: Learning Assistance Programs, Research [Library] Services, Writing Center, Math Lab)*

- Academic Integrity Tutorial *(found on CANVAS and SU Online)*

Academic Policies on Registrar website ([https://www.seattleu.edu/registrar/academics/performance/](https://www.seattleu.edu/registrar/academics/performance/))

- Academic Integrity Policy
- Academic Grading Grievance Policy
- Professional Conduct Policy *(only for those professional programs to which it applies)*

**STUDENTS WITH DISABILITIES**

If you have, or think you may have, a disability (including ‘invisible disability’ such as a learning disability, a chronic health problem, or mental health condition) that interferes you’re your performance as a student in this class, you are encouraged to arrange support services and/or accommodations through Disabilities Services staff located in Loyola 100: (206) 296-5740. Disability based adjustments to course expectations can be arranged ONLY through this process.

Seattle University is committed to providing students with disabilities an equal opportunity to participate in all its classes and activities.
**Final Note:**

You will soon realize that accounting is not as boring as you imagined. And I hope that you will actually “enjoy” the class. So I thought it would be appropriate to recommend some of my favorite reads that will relate to our class, and more broadly to the entire curriculum.

**Readings and Musings…**

For students who like “serious” bedtime reading
- *Against The Gods: The Remarkable Story of Risk*, by Peter Bernstein
  * History of our understanding of risk and probability as it relates to financial markets
- *The Black Swan*, by Nassim N. Taleb
  * A Black Swan is an event that is deemed improbable and yet has the potential of having huge consequences. He brilliantly examines the perils of empirical conclusions.
- *Irrational Exuberance*, by Robert Shiller
  * A Yale economist discusses market bubbles.

For students who like “fun” bedtime reading
- *The (Honest) Truth about Dishonesty*, by Dan Ariely
  * Arieli takes an insightful look at how we are all dishonest and explores how unethical behavior works in the personal, professional and political worlds. Extraordinary…
- *Predictably Irrational*
  * Ariely refutes the assumption that we behave rationally and through short examples and studies convinces the biggest skeptic. A MUST read.
- *Fooling Some of the People All the Time*, by Joel Greenblat
  * A tale of deceit, fraud and misinterpretation. Amazing…
- *The Big Short*, by Michael Lewis
  * Lewis is a superb writer. This book IS the story of the financial crises.
- *Liar’s Poker: Rising Through the Wreckage on Wall Street*, by Michael Lewis
  *First-hand account of bond trading on Wall Street
- *Barbarian’s at the Gate: The Fall of RJR Nabisco*, by Bryan Burrough
  *The story of the hostile acquisition of RJR Nabisco by KKR

For students who, like me, prefer watching movies
- *Smartest guys in the room*: The story of ENRON
- *Margin Call*
- *Too Big to Fail*
- *The Insider*
- *Wall Street*: The classic tale of fear and greed on Wall Street
- *Trading Places*: Orange juice futures and all that you need to know about finance
- *Barbarian’s at the Gate*: The fictionalized story of the RJR Nabisco acquisition
This is a draft of the schedule. Lectures should follow according to this plan. However, adjustments and changes will probably happen and they will be announced in class. Please note this since you are responsible for keeping up with any changes.

<table>
<thead>
<tr>
<th>DATE: MONDAYS</th>
<th>TOPIC</th>
<th>HOMEWORK FOR NEXT CLASS</th>
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<tbody>
<tr>
<td>Jan 5</td>
<td>Introduction and Chapter 3</td>
<td>Read Syllabus &amp; Chapter 3 BEFORE Monday Jan 5 class Online HW Ch 3: due Sunday Jan 11 Read Chapters 1 &amp; 2</td>
</tr>
</tbody>
</table>
| Jan 12        | In class Quiz 1: Chapter 3  
Read Chapter 1 & 2 | Online HW Ch 1: Due Jan 18  
Online HW Ch 2: Due Jan 18 |
| Jan 19        | NO CLASS MLK | Online Quiz 2: Chapters 1 & 2, Due Jan 19  
Read Chapters 4 & 5 |
| Jan 26        | Chapter 4 & Chapter 5 | HW Ch 4: Due Feb 1  
HW Ch 5: Due Feb 1  
Online Quiz 3: Chapters 4 & 5, Due Feb 1 |
| Feb 2         | Midterm: Chapters 1-5 | Read Chapter 6 |
| Feb 9         | Review of Midterm & Chapter 6 | HW Ch 6 |
| Feb 16        | NO CLASS Presidents’ day | Read Chapter 7 |
| Feb 23        | Chapter 7 | Read Chapters 8 & 9  
HW Ch 7 |
| Mar 2         | Chapter 8  
Chapter 9 | Read Chapters 10 & 11  
Online Quiz 4: Chapters 8 & 9, Due March 10  
HW Ch 8 and HW Ch 9 |
| Mar 9         | Chapter 10  
Chapter 11 | Read Chapter 12 |
| Mon Mar 16    | Chapter 12  
Last day of class | Online Quiz 5: Chapters 10 & 11, Due March 17  
Introduction, Chapters 1-12 plus any other material covered in class. |
| Friday Mar 20 6-8:00PM | FINALCOMPREHENSIVE Comprehensive EXAM |