

ILLINOIS VALLEY COMMUNITY COLLEGE



COURSE OUTLINE

DIVISION: Natural Sciences Business

COURSE: ACT 2222 – Intermediate Accounting II

Date: 12-12-13

Credit Hours: 3

Prerequisite(s): Sophomore standing with a 2.0 GPA or completion of one year of high school accounting or completion of ACT 1210 with a grade of C or consent of instructor.

Delivery Method:

<input checked="" type="checkbox"/> Lecture	3 Contact Hours (1 contact = 1 credit hour)
<input type="checkbox"/> Seminar	0 Contact Hours (1 contact = 1 credit hour)
<input type="checkbox"/> Lab	0 Contact Hours (2 contact = 1 credit hour)
<input type="checkbox"/> Clinical	0 Contact Hours (3 contact = 1 credit hour)
<input type="checkbox"/> Online	
<input type="checkbox"/> Blended	

Offered: Fall Spring Summer

IAI Equivalent –**Only for Transfer Courses**–go to <http://www.itransfer.org>: NONE

CATALOG DESCRIPTION:

A continuation of Intermediate Accounting I dealing with the theory and concepts of external reporting. Topics covered include intangible assets, current liabilities and contingencies, long term liabilities, stockholder's equity & dilutive securities, investments, revenue recognition, leases (lessee), accounting changes and error analysis, statement of cash flows, full disclosure in financial reporting, and basic financial statement analysis.

GENERAL EDUCATION GOALS ADDRESSED

[See the last page of this form for more information.]

Upon completion of the course, the student will be able:

[Choose those goals that apply to this course.]

- To apply analytical and problem solving skills to personal, social and professional issues and situations.
- To communicate orally and in writing, socially and interpersonally.
- To develop an awareness of the contributions made to civilization by the diverse cultures of the world.
- To understand and use contemporary technology effectively and to understand its impact on the individual and society.
- To work and study effectively both individually and in collaboration with others.
- To understand what it means to act ethically and responsibly as an individual in one's career and as a member of society.
- To develop and maintain a healthy lifestyle physically, mentally, and spiritually.
- To appreciate the ongoing values of learning, self-improvement, and career planning.

EXPECTED LEARNING OUTCOMES AND RELATED COMPETENCIES:

[Outcomes related to course specific goals.]

Upon completion of the course, the student will be able to:

1. Account for intangible assets.

- 1.1 Identify issues related to the reporting of intangible assets.
- 1.2 Describe the characteristics of intangible assets.
- 1.3 Determine the proper valuation of intangible assets.
- 1.4 Record amortization of intangible assets.
- 1.5 Identify the types of intangible assets – marketing related, customer related, artistic related, contract related, technology related, and goodwill.
- 1.6 Determine and record the impairment of intangible assets.
- 1.7 Identify and account for research and development activities.
- 1.8 Illustrate the presentation of intangible assets on the balance sheet, and required footnotes disclosures pertaining to intangible assets.

2. Account for current liabilities.

- 2.1 Define current liabilities and describe how they are valued.
- 2.2 Identify the nature and type of current liabilities
- 2.3 Record transactions pertaining to current liabilities such as accounts payable, notes payable, dividends payable, unearned revenue, sales tax payable, and employee/employer related liabilities.
- 2.4 Illustrate the presentation of current liabilities on the balance sheet, and required footnote disclosures pertaining to current liabilities.
- 2.5 Identify the criteria used to account for and disclose loss contingencies.
- 2.6 Explain the accounting for different types of contingent liabilities.

3. Account for long term liabilities.

- 3.1 Describe the formal procedure associated with issuing long-term debt.
- 3.2 Identify various types of bond issues.
- 3.3 Describe the accounting valuation for bonds at date of issue.
- 3.4 Apply and record transactions involving the straight line and effective interest method of bond discount and premium amortization.
- 3.5 Prepare an amortization schedule for bond discounts and premiums using the effective interest method.
- 3.6 Describe and record the accounting for the extinguishment of long term debt.
- 3.7 Describe the accounting procedures for long-term note payable.
- 3.8 Describe and record the accounting entries and procedures for capitalization of leases by the lessee.
- 3.9 Contrast the operating and capitalization methods of recording leases for both the lessee and lessor.
- 3.10 Illustrate the presentation of long term debt on the balance sheet, and required footnote disclosures pertaining to long term debt.

4. Account for stockholder's equity.

- 4.1 Explain the key components of stockholders equity.
- 4.2 Discuss the characteristics of the corporate form of organization.
- 4.3 Explain and demonstrate the accounting procedures for issuing stock.
- 4.4 Identify the major reason for purchasing treasury stock.
- 4.5 Compare and contrast the cost and par methods of accounting for treasury stock.
- 4.6 Describe the major features of preferred stock.
- 4.7 Identify items reported as additional paid-in capital.
- 4.8 Describe corporate dividend policy.
- 4.9 Explain and record transactions pertaining to cash dividends, stock dividends, and stock splits.
- 4.10 Describe the types of stock compensation plans, and their reporting requirements under GAAP.
- 4.11 Describe and account for the issuance of convertible debt.
- 4.12 Describe and account for the issuance of stock warrants.
- 4.13 Define what is meant by a simple and complex capital structure, and describe the earnings per share requirements under each type.
- 4.14 Illustrate the presentation of a stockholder's equity section of the balance sheet, and required footnote disclosures pertaining to stockholder's equity.

5. Account for investments

- 5.1 Identify the three categories of debt securities, and describe and illustrate the accounting and reporting treatment for each category.
- 5.2 Identify the two categories of equity securities, and describe and illustrate the accounting and reporting treatment for each category.
- 5.3 Explain and record transactions pertaining to the equity method of accounting, and compare it to the fair value method for equity accounts.
- 5.4 Illustrate the presentation of investments on the balance sheet, and describe the disclosure requirements for investments in debt and equity securities.

6. Account for the recognition of revenue under different situations.

- 6.1 Describe the recognition of revenue in the current environment.
- 6.2 Describe departures from the sales basis.
- 6.3 Describe revenue recognition at point of sale (delivery).

- 6.4 Describe instances where revenue recognition before delivery are appropriate, such as percentage of completion.
- 6.5 Describe instances where revenue recognition after delivery are appropriate, such as the installment sales method.
- 6.6 Record transaction related to the recognition of revenue.
- 6.7 Describe footnote disclosures required to recognition of revenue.

7. Account for accounting changes and errors.

- 7.1 Define and describe the types of accounting changes.
- 7.2 Describe and record changes in accounting principle.
- 7.3 Describe and record changes in accounting estimate.
- 7.4 Define a change in accounting entity.
- 7.5 Define and record correction of errors, both balancing and counterbalancing.
- 7.6 Describe the reporting requirements associated with error corrections and changes in accounting principle.

8. Prepare a statement of cash flows.

- 8.1 Describe the evolution and purpose of the statement of cash flows
- 8.2 Identify the major classifications of cash flows.
- 8.3 Differentiate between net income and net cash from operating activities
- 8.4 Determine net cash flows from investing and financing activities.
- 8.5 Identify sources of information in preparing a statement of cash flows
- 8.6 Identify special problems in preparing statement of cash flows.
- 8.7 Prepare a completed statement of cash flows, and describe any related reporting disclosures pertaining to the statement.

9. Analyze financial statements

- 9.1 Understand the approach to financial statement analysis.
- 9.2 Identify major analytic ratios and describe their calculation.
- 9.3 Explain the limitation of ratio analysis.
- 9.4 Describe the techniques of comparative analysis.
- 9.5 Describe the techniques of percentage analysis.
- 9.6 Perform a complete analysis of a set of financial statements, using the above techniques.

10. Analyze an annual report, with emphasis on full disclosure.

- 10.1 Review the basic financial statements.
- 10.2 Review the full disclosure principle and describe problems of implementation.
- 10.3 Describe the disclosure requirements related to subsequent events.
- 10.4 Describe the disclosure requirements for major segments of a business.
- 10.5 Describe the accounting problems associated with interim reporting.
- 10.6 Identify the major disclosures found in both the auditor's and management's report.
- 10.7 Understand other areas of the annual report.
- 10.8 Identify issues related to financial forecast and projections.
- 10.9 Identify issues related to fraudulent financial reporting.

COURSE TOPICS AND CONTENT REQUIREMENTS:

1. Intangible Assets
2. Current Liabilities and Contingencies
3. Long Term Liabilities
4. Stockholder's Equity and Dilutive Securities
5. Investments
6. Revenue Recognition
7. Accounting for Leases (lessee)
8. Accounting Changes and Error Analysis
9. Statement of Cash Flows
10. Full Disclosure in Financial Reporting
11. Basic Financial Statement Analysis

INSTRUCTIONAL METHODS:

1. Class discussion
2. Exercises and problems
3. Exams
4. Lecture

INSTRUCTIONAL MATERIALS:

Intermediate Accounting, 15th edition, Kieso, Weygandt, & Warfield, John Wiley & Sons.

STUDENT REQUIREMENTS AND METHODS OF EVALUATION:

1. Read and understand text
2. Class participation
3. Complete all homework assignments
4. Four Exams
5. Excel Assignments

Course Competency/Assessment Methods Matrix

ACT 2222 Assessment Options	Assessment Options																																	
For each competency/outcome place an "X" below the method of assessment to be used.	Assessment of Student Learning	Article Review	Case Studies	Group Projects	Lab Work	Oral Presentations	Pre-Post Tests	Quizzes	Written Exams	Artifact Self Reflection of Growth	Capstone Projects	Comprehensive Written Exit Exam	Course Embedded Questions	Multi-Media Projects	Observation	Writing Samples	Portfolio Evaluation	Real World Projects	Reflective Journals	Applied Application (skills) Test	Oral Exit Interviews	Accreditation Reviews/Reports	Advisory Council Feedback	Employer Surveys	Graduate Surveys	Internship/Practicum /Site Supervisor Evaluation	Licensing Exam	In Class Feedback	Simulation	Interview	Written Report	Assignment		
Assessment Measures – Are direct or indirect as indicated. List competencies/outcomes below.	Direct/ Indirect	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	I	I	I	I	D	D			I				D		
Journalize transactions pertaining to liabilities (both current and long term) and equity (stock).									X				X		X			X		X									X					X
Identify the various intangible assets and determine the amount of amortization.									X				X		X			X		X									X					X
Identify contingencies and their proper reporting.									X				X		X			X		X									X					X
Calculate the proper recording and reporting of long term liabilities using time value of money concepts.									X				X		X			X		X									X					X
Determine dividend distribution and the effects of stock dividends and splits.									X				X		X			X		X									X					X
Prepare a detailed stockholder's equity section of the balance sheet.									X				X		X			X		X									X					X
Calculate various financial ratios pertaining to the financial statements.									X				X		X			X		X									X					X
Identify the different categories of investments, and journalize entries pertaining to their purchase and sale.									X				X		X			X		X									X					X

								X			X	X		X	X		X			X					X
Journalize adjusting entries pertaining to investments, and their proper reporting on the financial statements.								X			X	X		X	X		X			X					X
Journalize entries for revenue recognition under various circumstances - point of sale, before & after delivery.								X			X	X		X	X		X			X					X
Identify the criteria for a capital lease and make appropriate entries from the lessee's point of view.								X			X	X		X	X		X			X					X
Identify various acctg changes and errors								X			X	X		X	X		X			X					X
Properly record and report acctg changes and errors								X			X	X		X	X		X			X					X
Prepare a statement of cash flows								X			X	X		X	X		X			X					X
Identify the requirements of full disclosure, including the auditor's report								X			X	X		X	X		X			X					X

		Assessment Options																															
For each competency/outcome place an "X" below the method of assessment to be used.	Assessment of Student Learning	Article Review	Case Studies	Group Projects	Lab Work	Oral Presentations	Pre-Post Tests	Quizzes	Written Exams	Artifact Self Reflection of Growth	Capstone Projects	Comprehensive Written Exit Exam	Course Embedded Questions	Multi-Media Projects	Observation	Writing Samples	Portfolio Evaluation	Real World Projects	Reflective Journals	Applied Application (skills) Test	Oral Exit Interviews	Accreditation Reviews/Reports	Advisory Council Feedback	Employer Surveys	Graduate Surveys	Internship/Practicum /Site Supervisor Evaluation	Licensing Exam	In Class Feedback	Simulation	Interview	Written Report	Assignment	
	Direct/ Indirect	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	D	I	I	I	I	D	D		I					D
Assessment Measures – Are direct or indirect as indicated. List competencies/outcomes below.																																	

