**BUSI 2002 - Intermediate Accounting II**
**Summer 2013**

**Course Outline**

<table>
<thead>
<tr>
<th>Instructor</th>
<th>Anthony Bellomo, CA, CPA (Canada), CFA, CPA (Illinois) <a href="mailto:anthonybellomo@connect.carleton.ca">anthonybellomo@connect.carleton.ca</a></th>
</tr>
</thead>
<tbody>
<tr>
<td>Section</td>
<td>A</td>
</tr>
<tr>
<td>Class hours</td>
<td>Mon, 18:00 – 21:00</td>
</tr>
<tr>
<td>Classroom</td>
<td><strong>in class</strong></td>
</tr>
<tr>
<td>Office</td>
<td>Mon, 21:00 – 22:00</td>
</tr>
</tbody>
</table>

**Prerequisites**

BUSI 2001* (with a grade of C or better).

This course is a prerequisite to:

- BUSI 3001 (with a grade of C- or higher)
- BUSI 4000 (with a grade of C- or higher)
- BUSI 4002 (with a grade of C- or higher)
- BUSI 4007 (with a grade of C- or higher)

*The School of Business enforces all prerequisites.*

**Grading**

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Weight %</th>
</tr>
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<tbody>
<tr>
<td>Participation</td>
<td>15%</td>
</tr>
<tr>
<td>Test 1 – 1.5 hours</td>
<td>20%</td>
</tr>
<tr>
<td>Test 2 – 1.5 hours</td>
<td>20%</td>
</tr>
<tr>
<td>Final exam – 3 hours</td>
<td>45%</td>
</tr>
</tbody>
</table>

**NOTE:** You must achieve a minimum grade of 45% on the final to pass the course.
Participation
The *participation* grade will be calculated based on your answers to random multiple choice questions during class. In each class (starting the second week of classes), there will be about 0-10 multiple choice questions which you will answer using your Response Card. Each class will be weighted equally, regardless of the number of multiple choice questions in that class.

Tests
There will be two tests held in class between 18:00 - 19:30. The tests will commence at 18:00 sharp. The dates of the tests are in Appendix A.

The only valid excuse for missing the tests is for medical reasons or death in the family and must be documented with a medical certificate. Any other reason (such as travel, etc…) cannot be considered. In such circumstances there will be no make-up test. The grade weighting corresponding to the test that was missed will be added to the grade weighting of the final exam.

The tests will be marked by the teaching assistants and the instructors together and follow a rigorous quality control process that (hopefully) ensures that the grade awarded on exams is fair. However, no system is 100% error-free, so it is possible that you may wish to call into question a grade that has been awarded on a test or assignment. In this circumstance, please write a brief note describing the difficulty with the awarded grade and provide this note, together with the graded test or assignment, to me no later than seven calendar days following the return of the graded work. Please be sure to include your name and student number on the note to enable me to properly identify it.

Final Exam

The exams will test both the technical and conceptual aspects of the course. The final exam will be comprehensive in nature and will cover the whole course. Only non-programmable calculators (without alpha storage capabilities) will be permitted for use during examinations. Translation dictionaries are allowed as long as they are in print format and do not contain any handwritten notes. Electronic translation dictionaries are not allowed.

Deferred Examination

To be eligible to write deferral in this course you must
- have obtained a grade of 5/10 or higher for the participation component of the course AND
- score at least 45% in each of the two tests.

Applications for a deferred final examination must be made with the University's Registrar's office.
Course Description

This is the second of two Intermediate Accounting courses, which cover the traditional financial accounting topics as well as recent developments within the public accounting industry. The first course’s focus was on the asset side of the balance sheet and the income statement. This course’s main focus will be on the liabilities and shareholders’ equity side of the balance sheet as well as any related income statement items. In particular we will focus on the accounting for liabilities, shareholder’s equity, earnings per share, corporate income taxes, accounting changes and error analysis, statement of cash flows and basic statement analysis. Examples will be taken from practice and pronouncements in order to support and illustrate discussions of financial accounting theory.

Course Objectives

The two main objectives of this course are:

- To develop an understanding of the objectives of accounting and the concepts, principles, and policies underlying current professional practice in the preparation of financial statements
- To promote a full understanding of the nature of financial statements and the inherent limitations in their preparation and use.

This course will focus on International Financial Reporting Standards (IFRS) and will also cover Accounting Standards for Private Enterprises (ASPE)

Course Materials

                                          McGraw-Hill, Toronto 2011
                                          Available from Haven Books

Response Card: Turning Point Response Card RF
                                          Available from Allegra Print & Imaging (corner Bank and Sunnyside),
                                          Haven Books or the Carleton Bookstore

On-Line Databases: International Financial Reporting Standards
                                          Accounting Standards for Private Enterprises
                                          Available in the Library on-line Database
**Class Etiquette**

1. Late arrival should be an exception. When necessary, sit on the entering side; do not disturb the class.
2. Early departure should be an exception.
3. Early preparation for departure - please don't.
4. Talking - with everyone or with no one.
5. Please turn off your cell phones.

**How to do well in this course**

*Come to class, review class notes and practice, practice, practice….*

We recommend the following study approach:

1. Go over your class notes and all problems done in class. Re-do the problems on your own to see if you can arrive at the same solution as was derived in class.
2. Use the textbook as a reference source for topics you are having difficulty with.
3. Do as many extra problems as you need to feel you have a good comprehension of the material.

**Additional Problems with Solutions**

For each topic, a series of problems with solutions are available on WebCT.

**FINAL THOUGHTS**

This is not a course to register in if you are seeking easy credit. For many students, this course is a difficult one. Part of this difficulty stems from challenging subject matter, but the biggest difficulty comes from failing to devote enough effort to working with the material. Like calculus and other courses where no two problems look alike, accounting requires that you practice working with it—over and over and over. **You must understand the underlying concepts.**
Appendix A - Topical Outline

Please note that below is the plan… the only certainty is that we will start at the beginning and end at the end… the middle could be a little off schedule at times.

<table>
<thead>
<tr>
<th>Class #</th>
<th>Date</th>
<th>Topic/Chapter</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>May 6</td>
<td>Liabilities</td>
</tr>
<tr>
<td>2</td>
<td>May 13</td>
<td>Liabilities cont’d (Bonds)</td>
</tr>
<tr>
<td></td>
<td>May 20</td>
<td>Statutory holiday – no class</td>
</tr>
<tr>
<td>3</td>
<td>May 27</td>
<td>Shareholders’ Equity</td>
</tr>
<tr>
<td>4</td>
<td>Jun 3</td>
<td>Complex Financial Instruments</td>
</tr>
<tr>
<td>5</td>
<td>Jun 10</td>
<td>TEST #1 – 6:00PM, 90 minutes followed by Complex Financial Instruments, continued</td>
</tr>
<tr>
<td>6</td>
<td>Jun 17</td>
<td>Accounting for Income Taxes</td>
</tr>
<tr>
<td></td>
<td>Jun 24</td>
<td>No class (due to early summer exam period)</td>
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<tr>
<td></td>
<td>Jul 1</td>
<td>Statutory holiday – no class</td>
</tr>
<tr>
<td>7</td>
<td>Jul 8</td>
<td>Earnings per Share</td>
</tr>
<tr>
<td>8</td>
<td>Jul 15</td>
<td>Leases</td>
</tr>
<tr>
<td>9</td>
<td>Jul 22</td>
<td>TEST #2 – 6:00PM, 90 minutes followed by Accounting Changes</td>
</tr>
<tr>
<td>10</td>
<td>Jul 29</td>
<td>Pensions</td>
</tr>
<tr>
<td></td>
<td>Aug 5</td>
<td>Statutory holiday – no class</td>
</tr>
<tr>
<td>11</td>
<td>Aug 12</td>
<td>Statement of Cash Flow</td>
</tr>
<tr>
<td>12</td>
<td>Aug 13 (TUESDAY)</td>
<td>Exam review</td>
</tr>
</tbody>
</table>
Appendix B – Topical Coverage

**Textbook:** Beechy/Conrod/Farrell, Intermediate Accounting, Volume 2, 5th Canadian Edition

Note that this list is presented by exceptions, meaning that all topics are covered (including appendices) with the exception of those listed below:

<table>
<thead>
<tr>
<th>Chapter 12 – Liabilities</th>
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<tbody>
<tr>
<td>Capitalization of Borrowing costs</td>
</tr>
<tr>
<td>Defeasance</td>
</tr>
<tr>
<td>Foreign Exchanges Issue</td>
</tr>
<tr>
<td>Accounting for Foreign Currency-Denominated Debt</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Chapter 13 - Shareholders’ Equity</th>
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<tbody>
<tr>
<td>Treasury Stock</td>
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<tr>
<td>Appropriations and restrictions of retained earnings</td>
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<tr>
<td>Additional Contributed Capital</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Chapter 14 – Complex Debt and Equity Instruments</th>
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</thead>
<tbody>
<tr>
<td>Convertible debt, conversion mandatory (p. 822 - 824)</td>
</tr>
<tr>
<td>Compound plans (p. 836 – 838)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chapter 15 – Accounting for Corporate Income Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measurement method and discounting (p. 878 – 880)</td>
</tr>
<tr>
<td>Appendix – The Investment Tax Credit</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chapter 16 – Accounting for Tax Losses</th>
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<tbody>
<tr>
<td>Using a valuation allowance</td>
</tr>
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<table>
<thead>
<tr>
<th>Chapter 17 – Leases</th>
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<tbody>
<tr>
<td>Lessor Accounting</td>
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<table>
<thead>
<tr>
<th>Chapter 19 – Pension</th>
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<tbody>
<tr>
<td>IAS 19 (revised), effective January 2013, eliminates the corridor method and the direct to income method, as well as some other changes. The course will teach to IAS 19 (revised) and therefore the course slides should be relied upon for this chapter.</td>
</tr>
</tbody>
</table>
**Required calculator in BUSI course examinations**

If you are purchasing a calculator, we recommend any one of the following options: Texas Instruments BA II Plus (including Pro Model), Hewlett Packard HP 12C (including Platinum model), Staples Financial Calculator, Sharp EL-738C & Hewlett Packard HP 10bII

**Group work**

The Sprott School of Business encourages group assignments in the school for several reasons. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, follower-ship and other group skills. Group assignments are also good for learning integrative skills for putting together a complex task. Your professor may assign one or more group tasks/assignments/projects in this course. Before embarking on a specific problem as a group, it is your responsibility to ensure that the problem is meant to be a group assignment and not an individual one.

**Medical certificate**

Please note that in all occasions that call for a medical certificate you must use or furnish the information demanded in the standard university form. [http://www2.carleton.ca/registrar/forms/](http://www2.carleton.ca/registrar/forms/)

**Academic Accommodations for Students with Disabilities**

The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or pmc@carleton.ca for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your Letter of Accommodation at the beginning of the term, and no later than two weeks before the first in-class scheduled test or exam requiring accommodation (*if applicable*). After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. Please consult the PMC website for the deadline to request accommodations for the formally-scheduled exam (*if applicable*).

**Religious observance**

Students requesting academic accommodation on the basis of religious observance should make a formal, written request to their instructors for alternate dates and/or means of satisfying academic requirements. Such requests should be made during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist, but no later than two weeks before the compulsory academic event. Accommodation is to be worked out directly and on an individual basis between the student and the instructor(s) involved. Instructors will make accommodations in a way that avoids academic disadvantage to the student. Students or instructors who have questions or want to confirm accommodation eligibility of a religious event or practice may refer to the Equity Services website for a list of holy days and Carleton's Academic Accommodation policies, or may contact an Equity Services Advisor in the Equity Services Department for assistance.

**Pregnancy**

Pregnant students requiring academic accommodations are encouraged to contact an Equity Advisor in Equity Services to complete a letter of accommodation. The student must then make
an appointment to discuss her needs with the instructor at least two weeks prior to the first academic event in which it is anticipated the accommodation will be required.

**Plagiarism**
The University Senate defines plagiarism in the regulations on instructional offenses as: "to use and pass off as one's own idea or product work of another without expressly giving credit to another."

Borrowing someone else's answers, unauthorized possession of tests or answers to tests, or possession of material designed in answering exam questions, are also subject to university policy regarding instructional offences. For more information on Carleton University's Academic Integrity Policy, consult:

http://www1.carleton.ca/studentaffairs/academic-integrity/
Summer Term 2013

May 1, 2013
Last day for receipt of applications for undergraduate degree program transfers for the summer 2013 term.

May 3, 2013
Deadline for fee payment or assignment of funding to ensure payment is processed to your account without incurring a late charge.

May 6, 2013
Early summer and full summer classes begin.

May 13, 2013
Last day for registration and course changes for early summer courses.

May 17, 2013
Last day for registration and course changes for full summer courses.

May 20, 2013
Statutory holiday. University closed.

May 31, 2013
Last day to withdraw from early summer courses with full fee adjustment.

June 7, 2013
Last day to withdraw from full summer courses with a full fee adjustment
Last day to submit to the Paul Menton Centre for Students with Disabilities, formal Examination Accommodation Forms for June examinations.

June 10-20, 2013
Fall/winter and winter term deferred final examinations will be held. Examinations are normally held in the day and evening during the Monday to Saturday period. In exceptional circumstances, it may be necessary to schedule an examination on a Sunday.

June 11, 2013
Last day for tests or examinations in courses below the 4000-level before the final examination period (see Examination Regulations in the Academic Regulations of the University section of this Calendar).

June 18, 2013
Last day of early summer classes (NOTE: Full summer classes resume July 2).
Last day for academic withdrawal from early summer courses.
Last day for handing in term assignments, subject to any earlier course deadline.
June 21-26, 2013
Early summer examinations may be held. Examinations are normally held in the day and evening during the Monday to Saturday period. In exceptional circumstances, it may be necessary to schedule an examination on a Sunday.

June 30, 2013
Final deadline for summer term fee payment.

July 1, 2013
Statutory holiday. University closed.

July 2, 2013
Late summer classes begin. Full summer classes resume.

July 9, 2013
Last day for registration and course changes for late summer courses.

July 19, 2013
Last day for withdrawal from late summer courses with full fee adjustment.

July 26, 2013
Last day to submit to the Paul Menton Centre for Students with Disabilities, Formal Examination Accommodation Forms for August examinations.

August 5, 2013
Statutory Holiday. University closed.

August 7, 2013
Last day for tests or examinations in courses below the 4000-level before the final examination period (see Examination Regulations in the Academic Regulations of the University section of this Calendar).

August 14, 2013
Last day of late summer and full summer classes.
Last day for academic withdrawal from late summer and full summer courses and any other courses that end this term.
Last day for handing in term assignments, subject to any earlier course deadline.

August 16, 2013
Summer Co-op Work Term Reports are due.

August 17-22, 2013
Summer examinations may be held. Examinations are normally held in the day and evening during the Monday to Saturday period. In exceptional circumstances, it may be necessary to schedule an examination on a Sunday.
September 27-28, 2013
Summer term deferred final examinations will be held. Examinations are normally held in the day and evening.

September 30, 2013
Last day for receipt of applications for review of final grades for summer term courses.