



**BUSI 2002 A & B  
Intermediate Accounting 2  
Winter 2014**

**INSTRUCTOR:** Darrell Herauf  
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**INSTRUCTOR:** Emily Gray  
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Office Hours: Mondays 16:30-17:30,  
Wednesdays 13:00-14:00 and by appointment

**COURSE TIMES & LOCATION:**

<b>Section</b>	<b>Day</b>	<b>Time</b>	<b>Location</b>
A	Wednesday & Friday	10:05 – 11:25	624 Southam
B	Tuesday & Thursday	10:05 – 11:25	342 Tory

**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, financial instruments, earnings per share, corporate income taxes, accounting changes and financial statement analysis. Examples will be taken from practice and pronouncements in order to support and illustrate discussions of financial accounting theory.

## LEARNING OUTCOMES:

Students will be expected to demonstrate the following learning outcomes:

- Understand the objectives of accounting and the concepts, principles, and policies underlying current professional practice in the preparation of financial statements.
- Understand the nature of financial statements and the inherent limitations in their preparation and use.
- Apply International Financial Reporting Standards (IFRS) for realistic problems and describe any differences between Accounting Standards for Private Enterprises (ASPE) and IFRS
- Identify problems, analyze alternatives and recommend solutions to satisfy users' needs

## PREREQUISITE:

BUSI 2001 and Busi 2504 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)

**The School of Business enforces all prerequisites.**

## COURSE MATERIALS:

Textbook: Beechy, Conrod, Farrell, *Intermediate Accounting, Volume 2*, 5th Canadian Edition, McGraw-Hill, Toronto 2011

Response Card: Turning Point Response Card RF

CPA Canada Handbook: Available on the Carleton library's online database

## GRADING:

	<b>Option 1</b>	<b>Option 2</b>
Contribution and participation	10%	10%
Quizzes	44%	33%
Final examination	<u>46%</u>	<u>57%</u>
Total	<u>100%</u>	<u>100%</u>

The difference between Options 1 and 2 is the length of the final exam. Under Option 1, the final exam is 2.5 hours because you can skip the question on deferred taxes or leases. Under Option 2, the final exam is 3 hours and you answer all questions. The reduced weight for the quizzes under Option 2 will be applied to the quiz with the lowest score. The option is declared while writing the final exam. Anyone who stays longer than 2.5 hours for the final exam is automatically declaring Option 2.

*Contribution and participation:* will be earned primarily through attendance and by answering multiple-choice questions in class using the Turning Point clicker. Clicker marks will be awarded for effort and accuracy. Inappropriate use of cell phones and other electronic device during class time will result in an absent on the attendance sheet and a cancellation of any clicker mark for that class. In normal circumstances, the top mark in each section will be 10 and the average mark will be a minimum of 7. In addition, there will be a bonus of up to two marks for exceptional contribution to classroom discussion and/or online use of CuLearn. Further details will be provided during the first class.

*Quizzes:* There will be a quiz on February 7 and March 14 from 16:00 to 17:30 in a room to be announced. The objectives of the quizzes are to encourage you to keep up with the course and to provide you with ongoing feedback. The quizzes will be marked by the teaching assistant and will be handed back to you within 10 days following the quiz date. You will then have 10 calendar days to review your results and report any discrepancies to the professor. Any discrepancies reported beyond that time period may be reviewed but will not result in any change in grade.

*Final examination:* The final exam will be comprehensive in nature and will cover the whole course. It will be scheduled during the exam period.

*Quizzes and final examination:* The quizzes and final exam will test both the technical and conceptual aspects of the course. Only non-programmable calculators (without alpha storage capabilities) will be permitted. 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. All assigned readings, in-class handouts and material from lectures are examinable.

*Missed Quiz:* If you must miss a quiz due to a verifiable illness (or, in rare cases, some other circumstances beyond your control), the weight for that quiz will be transferred to the final examination. If a quiz is missed without a legitimate reason, a grade of zero will be given for the quiz. A medical certificate or other verifiable documentation must be submitted to the instructor no later than five (5) calendar days after the date of the quiz

## **COURSE WEBSITE:**

The instructor will make extensive use of the course Website to post course materials, grades and other announcements. The course Website is considered an integral part of the course. Any announcements made in the course Website will be considered to have been made in class. Students are encouraged to visit the course Website at least twice a week throughout the term. The URL for the course Website is [www.carleton.ca/culearn](http://www.carleton.ca/culearn). You need to use your MyCarleton userid and password to access this Website.

## **SATISFACTORY IN-TERM PERFORMANCE:**

1. The criterion/criteria and the standard(s) for Satisfactory In-term Performance are as follow(s):
  - A minimum of 55% of the term work must be completed
  - A minimum average grade of 45% on the term work must be obtained
2. Unsatisfactory In-term Performance in this course will lead to:
  - Failure in this course and ineligible to write a deferred final examination

## **EXAMINATION POLICY:**

University policy with respect to examinations will be strictly adhered to. Supplemental and grade rising examinations are not available. Notwithstanding the marking scheme, **if the mark on the final exam is less than 45%, the final grade for the course will be an F.**

## **DETAILED COURSE SCHEDULE:**

<b>Week</b>	<b>Topic</b>	<b>Chapter</b>	<b>Self-Study Problems</b>
Jan. 6	Liabilities	12	2, 11, 14, 22
Jan. 13	Leases	17	5, 9, 11, 18
Jan. 20	Shareholders' equity	13	2, 11, 22, 26
Jan. 27	Earnings per share	19	5, 18, 22, 30
Feb. 3	Deferred income taxes	15	4, 14, 15, 24
	<b>Quiz 1 (Chapters 12, 17, 13 and 19)</b>		
Feb. 10	Accounting for tax losses	16	9, 20, 27
Feb. 17	Mid-term break		
Feb. 24	Pensions	18	8, 10, 17, 19
Mar. 3	Other post-employment benefits	18	
Mar. 10	Complex debt instruments	14	2, 5, 18, 30
	<b>Quiz 2 (Chapters 15, 16 and 18)</b>		
Mar. 17	Complex equity instruments	14	
Mar. 24	Accounting changes	20	7, 11, 21
Mar. 30	Financial statement analysis	21	2, 10, 18
April 7	Review and wrap-up		

**While every attempt will be made to keep to the schedule listed above, unforeseen circumstances may necessitate modifications throughout the semester.**

## **PEDAGOGY:**

This course will use a combination of lectures and problem solving. The lectures will highlight the main points contained in the assigned readings and problem solving will help illustrate the application of learned techniques to various accounting issues.

**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 class as a whole or with no one.
5. Not using cellphones or electronic devices for non-class related activities.

**How to do well in this course**

- Read the assigned material prior to each class and attempt to gain a basic understanding of the material
- Attend the classes and try to get a better understanding of the material by asking questions and working through the in-class problems along with the instructor
- After each class (and before the next class), review the material taken up in class and try to answer the suggested self-study problems to ensure you understand the material
- If there are points that you did not understand, see the instructor or ask for clarification in the next class

**EMAILS:**

Emails from students on matters pertaining to this course should be sent from his/her Carleton email account. The instructor will normally respond to emails within 24 hours on weekdays and at least once on the weekend.

## TOPICAL EMPHASIS:

A number representing the level of emphasis ranging from one to four is indicated below. These levels have the following interpretation:

- Level 1      **In-depth knowledge** - students will be expected to know and fully understand and apply the contents of these sections.
- Level 2      **Working level knowledge** - students should have a basic understanding of the conceptual aspects of these topics and develop a working knowledge of procedures.
- Level 3      **Awareness level knowledge** - students will be expected to read these sections on their own, will be held responsible for general knowledge only and should understand the circumstances in which the material would arise or be applied.
- Level 4      **No knowledge requirement.**

Level 4 topics will not be examined in this course. Level 2 and 3 topics are examinable and will comprise a maximum of 30 and 10%, respectively, of any exam.

Unless otherwise indicated, all topics are Level 1 topics. ASPE and Disclosure sections for each chapter are Level 3 topics. The following table indicates the level of emphasis for topics that are not Level 1 topics:

<b>Chapter</b>	<b>Topics</b>	<b>Emphasis</b>
12	Capitalization of Borrowing Costs	2
	Foreign Exchanges Issue	3
	Accounting for Foreign Currency-Denominated Debt	3
	Appendix: Sources of Financing	3
13	Treasury Stock	3
	Additional Contributed Capital	3
	Reserves	3
14	Convertible debt, conversion mandatory	2
	Compound plans (p. 836 – 838)	4
15	Appendix – The Investment Tax Credit	4
16	Using a valuation allowance	3
17	Lessor Accounting	3
19	Contingently Issuable shares	3

### **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://www1.carleton.ca/registrar/forms/>

In accordance with the Carleton University Undergraduate Calendar (p 34), the letter grades assigned in this course will have the following percentage equivalents:

A+ = 90-100	B+ = 77-79	C+ = 67-69	D+ = 57-59
A = 85-89	B = 73-76	C = 63-66	D = 53-56
A - = 80-84	B - = 70-72	C - = 60-62	D - = 50-52

F = Below 50      WDN = Withdrawn from the course

ABS = Student absent from final exam

DEF = Deferred (See above)

FND = (Failed, no Deferred) = Student could not pass the course even with 100% on final exam

### **Academic Regulations, Accommodations, Etc.**

University rules regarding registration, withdrawal, appealing marks, and most anything else you might need to know can be found on the university's website, here:

<http://calendar.carleton.ca/undergrad/regulations/academicregulationsoftheuniversity/>

### **Requests for Academic Accommodations**

#### **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](mailto: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*).

- The deadlines for contacting the Paul Menton Centre regarding accommodation for final exams for the December 2013 exam period is November 8, 2013 and for the April 2014 exam period is March 7, 2014.

*For Religious Obligations:*

Students requesting academic accommodation on the basis of religious obligation 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 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.

*For 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.

### **Academic Integrity**

Violations of academic integrity are a serious academic offence. Violations of academic integrity – presenting another's ideas, arguments, words or images as your own, using unauthorized material, misrepresentation, fabricating or misrepresenting research data, unauthorized co-operation or collaboration or completing work for another student – weaken the quality of the degree and will not be tolerated. Penalties may include expulsion; suspension from all studies at Carleton; suspension from full-time studies; a refusal of permission to continue or to register in a specific degree program; academic probation; and a grade of Failure in the course, amongst others. Students are expected to familiarize themselves with and follow the Carleton University Student Academic

Integrity Policy which is available, along with resources for compliance at <http://www2.carleton.ca/sasc/advisingcentre/academic-integrity/>.

**Assistance for Students:**

Student Academic Success Centre (SASC): [www.carleton.ca/sasc](http://www.carleton.ca/sasc)

Writing Tutorial Services: <http://www1.carleton.ca/sasc/writing-tutorial-service/>

Peer Assisted Study Sessions (PASS): [www.carleton.ca/sasc/peer-assisted-study-sessions](http://www.carleton.ca/sasc/peer-assisted-study-sessions)

**Important Information:**

- Students must always retain a hard copy of all work that is submitted.
- All final grades are subject to the Dean's approval.

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- Please note that you will be able to link your CONNECT (MyCarleton) account to other non-CONNECT accounts and receive emails from us. However, for us to respond to your emails, we need to see your full name, CU ID, and the email must be written from your valid CONNECT address. Therefore, it would be easier to respond to your inquiries if you would send all email from your connect account. If you do not have or have yet to activate this account, you may wish to do so by visiting <https://portal.carleton.ca/>

**Important Dates: Winter Term 2014**

<b>Date</b>	<b>Activity</b>
January 2, 2014	University re-opens.
January 6, 2014	Winter-term classes begin.
January 17, 2014	Last day for registration for winter term courses. Last day to change courses or sections (including auditing) for winter term courses.
January 31, 2014	Last day for withdrawal from winter term and winter portion of fall/winter courses with full fee adjustment.
February 1, 2014	Last day for receipt of applications for admission to the Bachelor of Architectural Studies and the Bachelor of Social Work degree programs for the fall/winter session.
February 14, 2014	April examination schedule available online.
February 14-22, 2014	Fall-term deferred examinations will be written.
February 17, 2014	Statutory holiday. University closed.
February 17-21, 2014	Winter Break, no classes.
March 1, 2014	Last day for receipt of applications from potential Spring (June) graduates. Last day for receipt of applications to the Bachelor of Humanities, Bachelor of Industrial Design, Bachelor of Information Technology (Interactive Multimedia and Design), Bachelor of Journalism, and the Bachelor of Music degree program for the fall/winter session. Last day for receipt of applications for admission to a program for the summer term.
March 7, 2014	Last day to submit, to the Paul Menton Centre for Students with Disabilities, Formal Examination Accommodation Forms for April examinations.

<b>Date</b>	<b>Activity</b>
March 25, 2014	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).
April 1, 2014	Last day for receipt of applications for admission to an undergraduate degree program for the fall/winter session, from candidates whose documents originate outside Canada or the United States, except for applications due February 1 or March 1. Winter term ends. Last day of fall/winter and winter-term classes.
April 8, 2014	Last day for academic withdrawal from fall/winter and winter-term courses. Last day for handing in term work and the last day that can be specified by a course instructor as a due date for term work for fall/winter and winter-term courses.
April 9-10, 2014	No classes or examinations take place.
April 11-26, 2014	Final examinations in winter term and fall/winter courses may be held. Examinations are normally held all seven days of the week. Please note that examinations will not be held on April 18-20.
April 15, 2014	Winter Co-op Work Term Reports are due.
April 18, 2014	Statutory holiday, University closed.
April 26, 2014	All take home examinations are due on this day.
May 1, 2014	Last day for receipt of applications for internal degree transfers to allow for registration for the summer session. Last day for receipt of applications for admission to an undergraduate program for the fall/winter session from mature applicants, from those presenting post-secondary education qualifications and from those transferring from other universities in Canada or the United States, and from applicants with high school qualifications from Canada and the United States, except for applications due March 1.
June 1, 2014	
June 9-19, 2014	Fall/winter and winter term deferred final examinations will be held.
June 15, 2014	Last day for receipt of applications for internal degree transfers to allow for registration for the 2013-2014 fall/winter session.