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SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY  
SAULT STE- MARIE, ONTARIO

COURSE OUTLINE

Course Title: ACCOUNTING IV  
Code No.: ACC 203-5  
Program: ACCOUNTING  
Semester: FOURTH  
Date: JUNE 1983  
Author: •B. CAMPBELL

New: Revision: X

APPROVED:

Chairperson

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Date

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ACCOUNTING IV  
Course Name

ACC 203-5  
Code No

PRE-REQUISITES:

Successful completion of Accounting III.

PHILOSOPHY/GOALS:

This course provides an in-depth study of liability and equity accounts. The objective is to provide the student with the necessary knowledge to use as a background for making business decisions. Problem solving and decision making is emphasized.

METHOD OF ASSESSMENT:

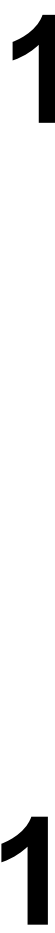
The final grade will be based on four tests (50%) and a final examination (50%). Grades will be assigned as follows:

80%+	. . . . .	A
70-79%	. . . . .	B
55 - 69%	. . . . .	C
40-54%	. . . . .	I
less than 40%	. . . . .	R

Students with an "Incomplete" (I) at the conclusion of the semester will be given the opportunity of writing a supplementary final examination.

TEXTBOOK(s):

"Intermediate Accounting" - 3rd Canadian Edition  
By: Megis, Johnson, Lockwood and Duncan.





ACCOUNTING IV

ACC 203-5

UNIT	WEEKS	TOPICS
		<u>Corporation: Contributed Capital</u> <ul style="list-style-type: none"><li>- rights associated with stock ownership</li><li>- characteristics of preferred stock</li><li>- journal entries for issuance of shares</li><li>-• incorporation of a partnership</li></ul>
		<u>Stock Rights, Stock Options and Convertible Securities</u> <ul style="list-style-type: none"><li>- warrants and stock rights</li><li>- stock option contracts</li><li>- conversion of preferred stock and bonds to common stock</li><li>- problems associated with conversion rights</li></ul>
		TEST
		<u>Retained Earnings and Dividends</u> <ul style="list-style-type: none"><li>-.classification of corporate capital</li><li>- identifying contributed surplus</li><li>- unrealized gain from evaluation of assets</li><li>- cash and stock dividends</li><li>- appropriations of retained earnings</li><li>- quasi-reorganizations</li></ul>
		<u>Treasury Stock: Book Value And Earnings Per Share</u> <ul style="list-style-type: none"><li>- treatment of treasury stock</li><li>- redemption of preferred stock</li><li>- calculating the book value per share</li><li>- various methods of determining the earnings per share</li></ul>
		TEST
	10	<u>Bonds Payable</u> <ul style="list-style-type: none"><li>- types of bonds</li><li>- considerations for a bond issue</li><li>- bond discounts and premiums</li><li>- acquisition and retirement of bonds</li><li>- bond sinking funds</li></ul>

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UNIT	WEEKS	TOPIC
3 (Continued)	7 - 10	<u>Leases and Pension Plans</u> <ul style="list-style-type: none"> <li>- distinguishing between operating leases and capital leases</li> <li>- defining a sales-type lease and a direct financing lease under capital leases</li> <li>- determining the present value of capital leases</li> <li>- accounting for capital leases by the lessee and the lessor</li> <li>- disclosure of lease arrangement in financial statements</li> <li>- accounting for funded and unfunded pension plans</li> <li>- accounting for past service costs associated with pensions</li> <li>- guidelines for pension plans</li> </ul>
11 • 1^		<u>Accounting Changes: Statements from Incomplete Records</u> <ul style="list-style-type: none"> <li>- correction of errors in previous years</li> <li>- changes in accounting procedures and policies</li> <li>- preparation of financial statements from incomplete records</li> </ul> <u>Statement of Changes in Financial Position</u> <ul style="list-style-type: none"> <li>- analysis of the statement of changes in financial position</li> <li>- special problems associated with funds</li> <li>- reclassifications and analysis of changes in non-current accounts</li> <li>- reporting practices by corporations</li> </ul> <p>TEST</p>
14 - 15		<u>Analysis for Financial Statements</u> <ul style="list-style-type: none"> <li>- reports available to outsiders</li> <li>- procedures for analysis by: <ul style="list-style-type: none"> <li>a) creditors</li> <li>b) investors</li> <li>c) management</li> </ul> </li> <li>- analysis of financial strength</li> <li>- analysis of capital structure</li> <li>- effects of inflation on financial data</li> </ul>

UNIT	WEEKS	TOPIC
5 Continued)	14-15	<u>Accounting and Inflation</u> <ul style="list-style-type: none"><li>- restating financial statements based on general price level</li><li>- determining the current value of assets and liabilities</li><li>- accounting for price level changes</li><li>- relationship between price level changes and current value accounting</li></ul>

Inventories

- Goods on consignment
- Installment sales
- Timing errors
- Valuation allowances
- Appraisal of the lower-of-cost-or-market rule
- Retail method of estimating Inventories under:
  - (a) average cost or market
  - (b) FIFO
- Valuation of inventory at replacement cost

Current Liabilities and Contingencies

- Valuation
- Loan obligations
- Bonus and profit sharing plans
- Future liabilities and commitments
- Estimated liabilities

Plant Assets

- Determining the cost base
- Costs subsequent to acquisition
- Exchange of plant assets
- Retirement of plant assets
- Depreciation-policy and income taxes
- Depreciation and capital investment decisions
- Disclosure of depreciation on financial statements

Intangible Assets

- Identifiable intangible assets
- Unidentifiable intangible assets
- Accounting treatment for negative goodwill
- Non-complete agreement and goodwill
- Accounting for research and development costs
- Accounting for development - stage companies

Financial Statement Presentation

- Multi-step income statement
- Single-step Income statement
- Extraordinary items on the income statement
- Treatment of prior period adjustments
- Earnings per share disclosure
- Combined income statement and statement of retained earnings
- Standards of disclosure for the balance sheet
- Statement of shareholder's equity