

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY

SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

Course Outline: ACCOUNTING V

Code No.: ACC 350

Program: ACCOUNTING

Semester: FIVE

Date: SEPTEMBER, 1987

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New: X Revision:

APPROVED: *B. Campbell*
Chairperson

Sept '87
Date

ACCOUNTING V

ACC350

Course Name

Course Number

TEXTBOOK: "Intermediate Accounting", 4th edition; Lam & Johnston
"A Canadian Casebook for Financial Accounting", Rosen

GENERAL OBJECTIVES:

- 1) To provide an in-depth understanding of long term obligations and their impact on the financial stability of a firm.
- 2) To understand the nature of deferred income taxes and the procedures for reporting deferred taxes in the financial statements.
- 3) To further study the statements of changes in financial position with regard to the most recent pronouncements by the professional accounting standards committee.
- 4) To integrate the theory of financial accounting with case studies involving financial decision making.

METHOD OF ASSESSMENT:

A term mark (50%) will be based on three tests (30%) and two case studies (20%). Each student will be required to present two case studies during the semester, and submit a written report on each case study. A final examination (50%) will be administered at the conclusion of the semester. The final grade will be based on the following criteria:

"A" - 80-100%
"B" - 70- 79%
"C" - 55- 69%
"I" - 40- 54%
"R" - Below 40%

Students with an incomplete grade at the conclusion of the semester will be given the opportunity of writing a supplementary examination.

ACCOUNTING V - ACC350

UNIT	WEEKS	TOPIC AND DESCRIPTION
1	1 - 4	<p data-bbox="927 538 1308 566"><u>Long Term Investment</u></p> <ul data-bbox="927 597 1588 1066" style="list-style-type: none">- journal entries for the cost method of accounting for investments- journal entries under the equity method of accounting for investments- determining the purchase price of investments- purchase of bonds, shares and other long-term investments- special problems related to investment in securities- presentation of long term investments on the financial statement <p data-bbox="943 1102 1230 1129"><u>Long-Term Debts</u></p> <ul data-bbox="943 1161 1588 1757" style="list-style-type: none">- the advantages and disadvantages of financing by issuing bonds- the legal requirements and procedures associated with a bond issue- types of bonds- accounting related to the issuance of convertible bonds- issuance of bonds with share purchase warrants- amortization of bond discounts and premiums- accounting for serial bond issues- the retirement reacquisition, redemption of bonds outstanding- accounting for a bond sinking fund <p data-bbox="976 1793 1057 1821"><u>TEST</u></p>

UNIT

WEEKS

TOPIC AND DESCRIPTION

2

5 - 9

Accounting for Pensions

- types of pension plans
- accounting procedure for unfunded pension plans
- definition and guidelines of a funded pension plan
- accounting treatment of past service costs
 - a) funded over same period as past service
 - b) funded over a period longer than funding period
 - c) funded over a period shorter than funding period
- disclosure of pension costs in the financial statements

Accounting for Leases

- definition and types of leases
- criteria for a capital lease
- journal entries for the lessee under a capital lease
- journal entries for the lessor under a capital lease (sales type and direct financing)
- capital leases with a sale - leaseback arrangement
- disclosure of leases in the financial statements of the lessor and lessee
- leases with guaranteed residual values

TEST

3

10-14

Accounting for Income Taxes

- definition of tax allocation
- determining the difference between accounting income and taxable income
- the various time differences in producing accounting income that results in deferred income
- alternate approaches to inter-period tax allocation

UNIT

WEEKS

TOPIC AND DESCRIPTION

- accounting treatment of carry-back and carry forward of operating losses for tax purposes
- carry back and carry forward of capital losses
- interperiod tax allocation procedures

Statement of Changes in Financial Position

- the purpose and use of statements showing changes in financial position
- the two types of statements of changes in financial position
- the accounting definition of the term "funds"
- the source of funds and the use of funds
- adjustments to funds derived from operations
- preparing the statements of changes in financial position on:
 - a) a cash basis
 - b) a working capital basis

TEST

15

Review and Final Examination