

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: JUNE 1985
Author: B. CAMPBELL

New: X Revision: _____

APPROVED:

B. Campbell
Chairperson

85-06-20
Date

ACCOUNTING V

ACC 350

Course Name

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TEXTBOOKS: - Intermediate Accounting; 2nd edition; Park, Simmons, Smith & Skousen; Gage Publishing

- Financial Accounting - A Canadian Casebook with Multiple Subject Cases; Rosen

REFERENCE TEXTS: Intermediate Accounting; 4th Canadian Edition; Mosich, Larsen, Lam & Johnston

Intermediate Accounting; Canadian Edition; Kieso, Weygandt, Irvine & Silvester

GENERAL OBJECTIVES:

- 1) To provide an in-depth understanding of long-term obligations and their impact on the financial stability of a business.
- 2) To complete the study of the financial statements in regards to earnings per share presentation and the changes in financial position.
- 3) To introduce the student to the impact of inflation on reporting procedures and financial statement presentation.
- 4) To integrate the theory learned in financial accounting with case studies in the field.

METHOD OF ASSESSMENT:

The term mark (50%) will be based on three tests (30%) and two case studies (20%). A final examination (50%) will be given. The final grade will be based on the following criteria:

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

Students with an "I" (Incomplete) grade, will be given the opportunity of writing a supplementary examination.

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UNIT

WEEKS

TOPICS

1

1

Accounting for Current Liabilities

- present value of notes and accounts payable
- current portion of long-term obligations
- deposits and agency obligations
- liability under bonus agreements
- estimated tax liabilities
- estimated liability on customer premium offers
- estimated liability for product warranties
- estimated liabilities for tickets, tokens, and gift certificates outstanding

2 & 3

Accounting for Bonds

- 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

4 & 5

Accounting for Leases & Pensions

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- accounting for an operating lease (lessee & lessor)
- accounting for capital leases (lessee and lessor)
 - a) sales type lease
 - b) finance type lease
- criteria for distinguishing between types of leases
- the various types of pension plans and the problems associated with accounting for pensions
- determining the pension expense for current employees based on years of service
- recording the liability for unfunded pension costs
- treatment of actuarial gains and losses on pension plans
- disclosure requirements

TEST

2

6 & 7

Book Value and Earnings Per Share

- measuring the book value with one class of outstanding shares
- determining the book value with several classes of outstanding shares
- the presentation of earnings per share on the income statement under:
 - a) a simple capital structure
 - b) a complex capital structure
- the effect of convertible securities on earnings per share
- calculating basic and fully diluted earnings per share

8-10
(inclusive)

Statements Showing the 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

3

11 & 12

Cash, Temporary Investments, and
Receivables

- items that are included in the composition of cash
- fraud that can be associated with cash handling
- attributes of a good cash control system
- current value accounting
- accounting treatment of holding gains on losses
- the capital maintenance concept
- current value accounting applied to depreciable properties
- pronouncements by the professional accounting organizations

- criteria for classifying temporary investments
- valuation of temporary investments
- reporting receivable at present values
- estimating uncollectible accounts
- assignment of accounts receivable to banks and finance companies
- factoring accounts receivable with or without recourse
- accounting associated with customer notes
- presentation of cash, temporary investments, and receivables on the balance sheet

13-15
(inclusive)

Inflation Accounting

- general price changes versus specific price changes
- alternates to financial reporting on a historical-cost basis
- effects of general price changes on monetary and non-monetary items
- restating financial statements for general price changes

TEST

16

Review and Final Examination