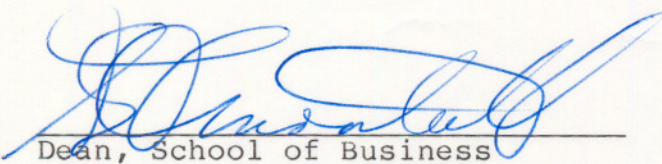


SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY
SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

COURSE TITLE: ACCOUNTING IV
CODE NO.: ACC 203
PROGRAM: ACCOUNTING
SEMESTER: FOUR
DATE: JANUARY, 1990
PREVIOUS OUTLINE DATED: JANUARY, 1989
AUTHOR: B. CAMPBELL

New: _____ Revision: X

APPROVED: 
Dean, School of Business

90-01-05
Date

PHILOSOPHY/GOALS:

To provide an in-depth study of the statements of sources of funds and the complex capital structures of a corporation. Special emphasis will be placed on regulations under The Canada Business Corporations Act and The Ontario Securities Act.

METHOD OF ASSESSMENT:

The term mark (50% of the final grade) will be based on three tests. A final examination will be given. The final grade will be based on the following:

90% and over	-	A+
80% - 89%	-	A
70% - 79%	-	B
55% - 69%	-	C
40% - 54%	-	I
BELOW 40%	-	R

Students with an "I" (incomplete) grade will be given the opportunity to write a supplementary examination.

TEXTBOOK(S):

Intermediate Accounting - 5th Canadian Edition
Moisch, Larsen, Lam, Johnston

<u>WEEKS</u>	<u>UNIT</u>	<u>TOPICS AND DISCUSSION</u>
1-5 incl.	1	<p><u>Statements of Changes in Financial Position</u></p> <p>Working Capital Basis -</p> <ul style="list-style-type: none">- working capital provided by operations- other sources of working capital- the four uses & types of working capital- the preparation of the statement of changes in financial position <p>Cash Basis -</p> <ul style="list-style-type: none">- converting net income from an accrual basis to a cash basis- determining uses of cash from non-operating areas- preparation of the cash flow statement <p><u>Analysis of Financial Statements</u></p> <p>a) management analysis</p> <ul style="list-style-type: none">- trend analysis- component analysis- analysis of change <p>b) short-term credit analysis</p> <ul style="list-style-type: none">- current ratio- quick ratio- account receivable and inventory turnovers <p>c) long-term credit analysis</p> <ul style="list-style-type: none">- debt ratio- leverage- times interest earned <p>d) investor analysis</p> <ul style="list-style-type: none">- price/earnings ratio- return on equity- return on total assets employed <p>TEST</p>

<u>WEEKS</u>	<u>UNIT</u>	<u>TOPICS AND DESCRIPTION</u>
6-10	2	<p><u>Shareholder's Equity</u></p> <ul style="list-style-type: none">- rights associated with ownership of shares- common shares and preferred shares- accounting for stock transactions- subscriptions of share- stock splits- restrictions on retained earnings- accounting for cash and stock dividends- reorganizations of financial structures- accounting for stock warrants- conversion privileges associated with bonds and common shares- stock option plans- accounting for treasury shares and redemption of shares- preparing the statement of retained earnings- computing earnings per share under the weighted average method- computing fully-diluted earnings per share <p>TEST</p>
11-15	3	<p><u>Long-Term Investments</u></p> <ul style="list-style-type: none">- the cost and equity methods of accounting for investments in common shares- accounting for the acquisition of bonds- methods of amortizing bond premiums and discounts- accounting for property dividends and stock rights- accounting for either assets under "investments" such as cash surrender, value of life insurance policies

WEEKS

UNIT

TOPICS AND DESCRIPTION

Accounting for Errors, Changes and Incomplete Records

- types of changes in accounting policy and estimates
- analyzing the efforts of accounting errors and resorting the corrections
- computation of net income from incomplete accounting records

TEST

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Review and Final Examination