



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

School of Business

Program: Financial Management

Option: Accounting/Finance

SEP 26 2002

Course Outline

FMGT 4110
Financial Accounting 2

Start Date: January, 2002

End Date: May, 2002

Course Credits:

Term/Level: 4

Total Hours: 90

Total Weeks: 18

Hours/Week: 5

Lecture: 2

Lab: 1

Shop:

Seminar: 2

Other: 1

Prerequisites

FMGT 4110 is a Prerequisite for:

Course No.	Course Name
FMGT 3110	Intermediate Accounting I

Course No.	Course Name
None.	

Course Calendar Description

This is the second of two courses in intermediate accounting designed to prepare the student to enter a professional accounting program at the intermediate level. FMGT 4110 utilizes and builds on the student's knowledge of GAAP learned in FMGT 3110 by applying the principles to more specific areas of accounting such as income taxes, leases and pensions. In the process, it specifically addresses the accounting issues involved in accounting for intangible assets, contingencies, long-term debt, equity and the accounting for income taxes, pensions and leases.

Course Goals

Upon successful completion of this course, the student will be able to:

1. develop a better understanding of the accounting process and the concepts, principles and procedures essential to the attainment of accounting objectives as exemplified in annual reports prepared for external use.
2. Upon completion of this course, students should expect to have:
 - a. acquired skills that will enable them to compete for more challenging and responsible accounting positions at the intermediate level.
 - b. determined their aptitude and desire for a professional accounting career while gaining (with a specified grade) exemption from study of the comparable course offered by professional associations (C.A., C.G.A. and C.M.A.).

Evaluation

Mid-term Examination	45% (3 hours)
Level II Assignment - Individual	5%
Level III Assignment - Group	5% (3 hours)
Final Examination	45%

TOTAL	<hr/> 100%
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Course Learning Outcomes/Competencies

Upon successful completion of this course, the student will be able to:

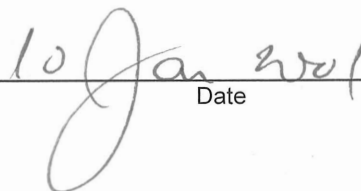
1. Identify and account for investments other company's securities on a under temporary holding and long-term holding assumptions.
2. Application of cost and equity method of accounting for long term equity holdings.
3. Record current liabilities, particularly in such specific areas as short-term notes, contingencies and compensated absences.
4. Record the issue and retirement of long-term notes payable, mortgages and bonds, including the appropriate accrual of interest and expenses. A thorough knowledge of present value concepts will be expected.
5. Fully understand disclosure requirements for shareholders' equity and the accounting for share capital transactions, including those affecting contributed surplus and retained earnings accounts. The latter will include accounting for stock rights, stock splits and dividends.
6. Identify complex debt and equity instruments and account for stock warrants and stock compensation plans.
7. Gain a basic understanding of how to record income tax expense using the asset/liability approach including the application of loss carry-forwards.
8. Appreciate the complexities of accounting for leases and to record basic direct financing and sales types. Here again, present value concepts will be stressed.
9. Understand the nature of pensions and post-retirement benefits and the complexities of accounting for them. To be able to prepare the worksheets and journal entries for more than one year for basic pension arrangements.
10. Detailed understanding of the definition and determination of earnings-per-share under simple and complex capital structures.
11. Develop the analytical and technical ability to handle accounting changes in the accounts and related external reporting.
12. To maintain an understanding of financial statement relationships, the Statement of Cash Flow implications will be discussed on a topic by topic basis.

Course Content Verification

I verify that the content of this course outline is current, accurate, and complies with BCIT Policy.



Program Head/Chief Instructor



Date

Associate dean

Date

Note: Should changes be required to the content of this course outline, students will be given reasonable notice.



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FMGT 4110
Financial Accounting 2

Instructor(s)

James Hughes, CA
Bryan Parker, CA

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SE6-337
Office Hrs.: Posted

Office Phone: 451-6753
451-6752
Fax: 439-6700

Learning Resources

Required:

Intermediate Accounting — 1st Edition — Beechy, Conrod

The following is a small selection only of interesting and useful supplementary reading and reference material.

1. Your first year accounting textbook
2. *Financial Reporting in Canada* — C.I.C.A.
3. *Canada Business Corporations Act*
4. *B.C. Companies Act*
5. Monthly magazines of C.A., C.G.A. and C.M.A. Associations
6. Published financial reports of leading Canadian companies.

BCIT Policy Information for Students

- X **Assignments:** Late assignments or projects will not be accepted for marking. Assignments must be done on an individual basis unless otherwise specified by the instructor.
- X **Attendance:** The attendance policy as outlined in the current BCIT Calendar **will be enforced. Absence from greater than 10% of seminars/labs, without cause, will be grounds for prohibiting students from writing the final exam.**
- X **Course Outline Changes:** The material specified in this course outline may be changed by the Instructor. If changes are required, they will be announced in class.
- X **Ethics:** BCIT assumes that all students attending the Institute will follow a high standard of ethics. Incidents of cheating or plagiarism may, therefore, result in a grade of zero for the assignment, quiz, test, exam or project for all parties involved and/or expulsion from the course.
- X **Illness:** A doctor's note is required for any illness causing you to miss assignments, quizzes, tests, projects or exam. At the discretion of the Instructor, you may complete the work missed or have the work prorated (i.e., an average is given according to your performance throughout the course).
- X **Makeup Tests, Exams or Quizzes:** There will be **no** makeup tests, exams or quizzes. If you miss a test or quiz, you will receive zero marks. Exams are to be handled at the discretion of the Instructor. Exceptions **may** be documented medical reasons or extenuating circumstances in accordance with department procedure.



Course Administration

- Assigned problems will be reviewed in seminar with the Instructor. It is assumed students will be prepared. If students merely copy solutions, they will have difficulty handling the exams. Assignments may be selected at random to be handed in.
- Limited Check Keys to assigned work sets may be found at: www.faculty.org/fp/jhughes OR www.faculty.org/fp/bparker. *These will emphasize the solution approach rather than provide full answers.*
- One lab hour will be devoted to in-class, exam level problem solving. Attendance at this lab is required and will be taken.
- Mid-term and final exams: 45% each and each three hours in length.
- The final grade will consider attendance and participation in labs and, for those students whose raw grade ends with 3, 4, 8, 9, there will be a maximum 2% uplift, depending on lab and seminar participation.

Week	Lecture #1 Tues/Wed	Lecture #2 Thursday	Chapter	Work
*This schedule is subject to change at the discretion of the Instructor.				
Jan. 3–4		Investments in Debt & Equity Securities (Exclude Appendix)	Chapter 12 Volume I	P12-3,4,7,10
Jan. 7–11	Investments in Debt & Equity Securities (Exclude Appendix)	Investments in Debt & Equity Securities (Exclude Appendix)	Chapter 12 Volume I	Debrief Chapter 12
Jan. 14–18	Liabilities: Current & Non-current	Liabilities: Current & Non-current	Chapter 13 Volume II	P13-2,8,13, 15 P13-17 SCF Review
Jan. 21–25	Liabilities: Current & Non-current	Shareholders' Equity	Chapter 13 Chapter 14	P14-3,6,10(Part A only)
Jan. 28–Feb. 1	Complex Debt & Equity Instruments Exclude Appendix	Complex Debt & Equity Instruments Exclude Appendix	Chapter 15	P15-3,6,8,9,15
Feb. 4–8	Accounting for Corporate Income Taxes (Exclude Appendix)	Accounting for Corporate Income Taxes	Chapters 16 & 17	P16-2,3,7 P17-1,3,5
Feb. 11–15	Accounting for Corporate Income Taxes	Accounting for Corporate Income Taxes	Chapters 16 & 17	
Feb. 18–22	Level II Assignment	Level II Assignment		P17-14
Feb. 25–Mar. 1	Feb. 27: No classes	Feb.27: Faculty PD Day		
Mar. 4–8	Midterm Examination: 3 Hours (Chapters 12-17)			
Mar. 11–15	Spring Break			
Mar. 18–22	Lease Accounting: Lessees	Lease Accounting: Lessees	Chapter 18	P18-3,4,(exclude Part I), 9
Mar. 25–28	Lease Accounting Lessors	Lease Accounting Lessors	Chapter 19	P19-3,6,7

Week	Lecture #1 Tues/Wed	Lecture #2 Thursday	Chapter	Work
March 29	Good Friday – no classes			
April 1	Easter Monday – no classes (Note: Open House April 5,6)			
Apr. 2-4	Pensions & Other Post Retirement Benefits	Pensions & Other Post Retirement Benefits	Chapter 20	P20-3,5,9
Apr. 8-12	Earnings Per Share (Separate material)	Earnings Per Share (Separate material)	Chapter 21	P21-2,7,8
Apr. 15-19	Accounting Changes	Accounting Changes	Chapter 22	P22-4,5,7,14
Apr. 22–26	Financial Statement Analysis	Financial Statement Analysis	Chapter 23	P23-3,9,11
Apr. 29–May 3	Group Integrated Assignment	Group Integrated Assignment		
April 29-May 3	Group Integrated Assignment			
May 6-10	Group Integrated Assignment			
May 13-17	Review			
May 21–24	Final Examination: 3 Hours			