

**Course Outline**

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

School of Business

Program: Financial Management

Option: Accounting/Finance

**FMGT 4110**  
**Financial Accounting 2****Start Date:** January, 2001**End Date:** May, 2001**Course Credits:****Term/Level:** 4**Total Hours:** 90**Total Weeks:** 18

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<b>Hours/Week:</b> 5	<b>Lecture:</b> 2	<b>Lab:</b> 1	<b>Shop:</b>	<b>Seminar:</b> 2	<b>Other:</b> 1
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**Prerequisites****FMGT 4110 is a Prerequisite for:****Course No. Course Name****Course No. Course Name**

None.

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

Final Examination	50% (3 hours)
Mid-term Examination	50% (3 hours)
TOTAL	100%

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## Course Learning Outcomes/Competencies

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

1. identify the costs included in the initial valuation of property, plant and equipment.
2. describe the accounting treatment for costs subsequent to acquisition including the disposal of property, plant and equipment.
3. identify and understand the reasons for selecting a depreciation method.
4. know how to determine depreciation using various methods.
5. understand the issues and know how to account for depletion of natural resources.
6. understand the nature of the accounting for intangible assets, particularly goodwill and research and development.
7. record current liabilities, particularly in such specific areas as short-term notes, contingencies and compensated absences.
8. 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.
9. 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.
10. account for stock warrants and stock compensation plans.
11. have detailed knowledge of computing and disclosing earnings per share for simple and complex capital structures involving a variety of dilutive securities.
12. gain a basic understanding of how to record income tax expense using the deferral approach including intra-period allocations under both conditions of certainty and uncertainty.
13. understand the nature of pensions and the complexities of accounting for them. To be able to prepare the worksheets and journal entries for more than one year for reasonably simple pension arrangements.

### Course Learning Outcomes/Competencies (cont'd.)

14. appreciate the complexities of accounting for leases and to record basic direct financing and sales types. Here again, present value concepts will be stressed.
15. prepare a statement of cash flows using either the direct or indirect method. Emphasis will be placed on applying the direct method.

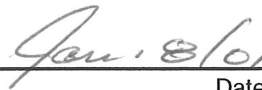
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### Course Content Verification

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



Program Head/Chief Instructor



Date

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



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**Financial Accounting 2**

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### Instructor(s)

James Hughes

Bryan Parker

Office No.: SE6-381

SE6-337

Office Hrs.: Posted

Office Phone: 451-6753

451-6752

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### Learning Resources

#### Required:

*Intermediate Accounting* — 5th Canadian Edition — Kieso, Weygandt et al.

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

1. Your first year accounting textbook
2. *Intermediate Accounting* — Seventh Canadian Edition — Welsh, Zlatkovitch, Nelson & Zin
3. *C.I.C.A. Handbook*
4. *Accounting Theory* — Hendriksen, E.S.
5. *Financial Reporting in Canada* — C.I.C.A.
6. *Canada Business Corporations Act*
7. *B.C. Companies Act*
8. Monthly magazines of C.A., C.G.A. and C.M.A. Associations
9. Published financial reports of leading Canadian companies

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### BCIT Policy Information for Students

- **Assignment:** Late assignments or projects will not be accepted for marking. Assignments must be done on an individual basis unless otherwise specified by the instructor.
- **Attendance:** The attendance policy as outlined in the current BCIT Calendar will be enforced.
- **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.
- **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.
- **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).
- **Makeup Tests, Exams or Quizzes:** There will be no makeup tests, exams or quizzes. If you miss a test, exam or quiz, you will receive zero marks. Exceptions may be documented medical reasons or extenuating circumstances in accordance with department procedure.



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### Course Administration

- Work sets will be announced and posted to the instructor's web page weekly.
- 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.
- Check Keys to assigned work sets may be found at: [www.faculty.org/fp/jhughes](http://www.faculty.org/fp/jhughes) OR [www.faculty.org/fp/bparker](http://www.faculty.org/fp/bparker).
- One lab hour will be devoted to in-class problem solving. Attendance at this lab is required and will be taken.
- There will be no weekly quizzes.
- *Mid-term and final exams:* 50% 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 participation.

Week	Lecture #1 Tues/Wed	Lecture #2 Thursday	Chapter	Remarks
*This schedule is subject to change at the discretion of the instructor. The Suggested Weekly Problems will be posted weekly.				
Jan. 3–5		Capital Assets	Chapter 11	Include Appendix 11A
Jan. 8–12	Capital Assets	Capital Asset Amortization	Chapter 12	Exclude Appendix 12A
Jan. 15–19	Intangible Assets	Intangible Assets	Chapter 13	Include Appendix 13A
Jan. 22–26	Current Liab. & Contingencies	Current Liab. & Contingencies	Chapter 14	
Jan. 29–Feb. 2	Long Term Liabilities	Long Term Liabilities	Chapter 15	Include Appendix 15A
Feb. 5–9	Shareholders Equity: I	Shareholders Equity: II	Chapter 16 Chapter 17	Exclude Appendix 16A
Feb. 12–16	Shareholders Equity: II	Dilutive Securities & EPS	Chapter 18	
Feb. 19–23	Dilutive Securities/EPS	Review		
Feb. 26–Mar. 2	TBA	TBA		
Mar. 5–9	Mid Term Examination: 3 Hours			
Mar. 12–16	Mid Term Break			
Mar. 19–23	Corporate Income Taxes	Corporate Income Taxes	Chapter 19	Exclude Appendix 19A
Mar. 26–30	Corporate Income Taxes	TBA		
Apr. 2–6	Pensions & Post Retirement Benefits	Pensions & Post Retirement Benefits	Chapter 20	Exclude Appendix 20A
Apr. 9–12	Accounting for Leases	Accounting for Leases	Chapter 21	Exclude all appendices
Apr. 13	Good Friday			

Week	Lecture #1 Tues/Wed	Lecture #2 Thursday	Chapter	Remarks
<b>Apr. 16</b>	<b>Easter Monday</b>			
Apr. 17–20	Leases Review	TBA		
Apr. 23–27	Statement of Cash Flows (SCF)	Statement of Cash Flows	Chapter 23	
Apr. 30–May 4	SCF Review			
<b>May 22–25</b>	<b>Final Examination: 3 hours</b>			