



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

School of Business

Program: Financial Management

Option: Accounting/Finance

Course Outline Part A

FMGT 4110

Financial Accounting 2

Hours/Week:	5	Total Hours:	90	Term/Level:	4
Lecture:	2	Total Weeks:	18	Credits:	
Lab:	1				
Other:	2				

Prerequisites

FMGT 4110 is a Prerequisite for:

Course No. Course Name

None

Course No. Course Name

None

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.).
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Course 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.

Evaluation

Final Examination	45%
Midterm Tests	45%
Quizzes	10%
TOTAL	<u>100%</u>

In addition to the final exam and quizzes there will be two midterm exams.

Midterm #1	30%
Midterm #2	<u>15%</u>
	<u>45%</u>

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Course Outcomes and Sub-Outcomes

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.
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. gain proficiency in the recording and disclosure of accounting changes including the correction of prior period errors.
16. prepare a statement of cash flows using either the direct or indirect method.

Course Record

Developed by: _____
Instructor Name and Department (signature)

Date: _____

Revised by: _____
Instructor Name and Department (signature)

Date: _____

Approved by: _____
Associate Dean / Program Head (signature)

Start Date: _____



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

School of Business

Program: Financial Management

Option: Accounting/Finance

Course Outline **Part B**

FMGT 4110

Financial Accounting 2

Effective Date

January, 1999

Instructor(s)

Jim Hughes	Office No.:	SE6-381	Phone:	451-6753
Bryan Parker		TBA		TBA
	Office Hrs.:	Mon. – Fri.	Fax:	439-6700

Text(s) and Equipment

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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Course Notes (Policies and Procedures)

- **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.

Course Notes (Policies and Procedures) (cont'd.)

- *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.
- *Labs:* Lab attendance is mandatory. Lab exercises are due at the end of lab period.



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Schedule

FMGT 4110

Financial Accounting 2

* This schedule is subject to change at the discretion of the instructor.

Week Ending	Material Covered	Text References	Suggested Weekly Problems
January 8	Acquisition and disposition of tangible capital assets	Chapter 11	
January 15	Cost allocation of tangible assets including depletion and special amortization systems (exclude Appendix 12A)	Chapter 12	Ex. 11.8, p. 559 P. 11.5, p. 568 P. 11.9, p. 570
January 22	Acquisition, amortization and disposal of intangible assets (includes Appendix 13A)	Chapter 13	Ex. 12.6, p. 613 P. 12.6, p. 619 Ex. 12.21, p. 617
January 29	Accounting for and reporting current and contingent liabilities with special attention given to estimated liabilities	Chapter 14	Ex. 13.11, p. 659 Ex. 13.18, p. 662 P. 13.5, p. 666
February 5	Long-term liabilities; nature, issuance, valuation, re-acquisition (exclude Appendix 15A and 15B)	Chapter 15	Ex. 14.5, p. 703 P. 14.9, p. 709 P. 14.11, p. 709
February 12	Long-term liabilities (continued)	Chapter 15	Ex. 15.3, p. 764 Ex. 15.4, p. 765 P. 15.4, p. 769
February 19	Shareholders' equity issuance and re-acquisition of share capital (exclude Appendix 16A)	Chapter 16	Ex. 15.8, p. 765 P. 15.7, p. 770 P. 15.11, p. 771
February 26	Shareholders' equity: <ul style="list-style-type: none">• types of dividends• retained earnings	Chapter 17	P. 16.2, p. 816 P. 16.5, p. 817 P. 16.8, p. 818
March 5	MIDTERM EXAM	Chapters 11, 12, 13, 14, 15	
March 12	SPRING BREAK		
March 19	Dilutive securities – stock compensation plans	Chapter 18	Ex. 17.8, p. 856 P. 17.5, p. 862

Week Ending	Material Covered	Text References	Suggested Weekly Problems
March 26	Earnings per share	Chapter 18	Ex. 18.11, p. 908 Ex. 18.15, p. 910 P. 18.3, p. 914
April 2	Inter period tax allocation Timing and permanent differences	Chapter 19	Ex 18.23, p. 912 P. 18.1, p. 913
April 9	Review MIDTERM EXAM	Chapters 16, 17, 18	
April 16	Income tax loss carry backs and carry forward with and without "virtual certainty"	Chapter 19	Ex. 19.6, p. 976 P. 19.3, p. 985
April 23	Pensions and other employee future benefits (exclude Appendix 20A)	Chapter 20	Ex. 19.28, p. 984 P. 19.5, p. 986
April 30	Accounting for leases (exclude Appendix 21A)	Chapter 21	Ex. 20.5, p. 1033 Ex. 20.11, p. 1035 P. 20.1, p. 1039
May 7	Introduction to cash flow and preparation of the Cash Flow Statement	Chapter 23	Ex. 21.3, p. 1102 Ex. 21.4, p. 1102 P. 21.3, p. 1106
May 14	Review		Ex. 23.5, p. 1221 Ex. 23.9, p. 1222 P. 23.7, p. 1233
May 21	FINAL EXAMINATION	Chapters 19, 20, 21, 23	