



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

Course Outline Part A

School of Business

Program: Financial Management

Option: Accounting/Finance

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**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%	Policy: In addition to the final exam and quizzes there will be two midterm exams.
Midterm Tests	45%	
Quizzes	10%	
TOTAL	100%	

Course Outcomes and Sub-Outcomes

At the end of this course, the student will be able to:

1. understand the nature of the accounting for intangible assets, particularly goodwill and research and development.
 2. record current liabilities, particularly in such specific areas as short-term notes, contingencies and compensated absences.
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Course Outcomes and Sub-Outcomes (cont'd.)

3. record the issue and retirement of long-term notes payable, mortgages and bonds, including the appropriate accrual of interest expenses. A thorough knowledge of present value concepts will be expected.
4. 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.
5. account for stock warrants and stock compensation plans.
6. have detailed knowledge of computing and disclosing earnings per share for simple and complex capital structures involving a variety of dilutive securities.
7. account for short- and long-term equity securities and the LCM rule as it applies to the former.
8. 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.
9. 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.
10. appreciate the complexities of accounting for leases and to record basic direct financing and sales types. Here again, present value concepts will be stressed.
11. gain proficiency in the recording and disclosure of accounting changes including the correction of prior period errors.

Course Record

Developed by:	<u>J. Hughes/C. Trunkfield</u> Instructor Name and Department (signature)	Date:	<u>December, 1997</u>
Revised by:	<u>J. Hughes/C. Trunkfield</u> Instructor Name and Department (signature)	Date:	<u>December, 1997</u>
Approved by:	<u>R. Doan</u> Associate Dean / Program Head (signature)	Start Date:	<u>January, 1998</u>



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

School of Business

Program: Financial Management

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Course Outline **Part B**

FMGT 4110

Financial Accounting 2

Effective Date

January, 1998

Instructor(s)

Jim Hughes	Office No.:	SE6-381	Phone:	451-6753
Chris Trunkfield		SE6-383		451-6752
	Office Hrs.:	Mon. – Fri.	Fax:	439-6700

Text(s) and Equipment

Required:

Intermediate Accounting — 4th 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.

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 of/ Number	Material Covered	Text References	Suggested Weekly Problems
Jan. 9	Factors in determining amortization of assets.	Chap. 11	
Jan. 16	Special depreciation systems and cost allocation	Chap. 11	E. 11-3, p. 566 P. 11-1, p. 572 (omit 4) P. 11-3, p. 573
Jan. 23	Acquisition, amortization and disposal of intangible assets including Goodwill and R & D.	Chap. 12	E. 11-6, p. 567 E. 11-15, p. 570 P. 11-8, p. 576
Jan. 30	Accounting for and reporting current and contingent liabilities with special attention given to estimated liabilities.	Chap. 13	P. 12-3, p. 619 P. 12-7, p. 621 E. 12-25, p. 617
Feb. 6	Bond issues and retirements.	Chap. 14	E. 13-6, p. 663 E. 13-13, p. 665 P. 13-7, p. 671
Feb. 13	Long term notes and mortgages payable.	Chap. 14	E. 14-3, p. 718 P. 14-3, p. 723 E. 14-4, p. 719
Feb. 20	Corporations. - issue of shares for cash and other considerations - reacquisition of shares	Chap. 15	E. 14-8, p. 720 P. 14-6, p. 724 P. 14-11, p. 726
Feb. 27	Accounting related to retained earnings and various kinds of dividends. Stock options and rights.	Chap. 16 Chap. 17	P. 15-2, p. 768 P. 15-3, p. 768 E. 15-9, p. 766
Mar. 6	MID TERM EXAM	Chaps. 11, 12, 13, 14 & 15	
Mar. 13	SPRING BREAK		

Week of/ Number	Material Covered	Text References	Suggested Weekly Problems
Mar. 20	Further complexities in computing E.P.S.	Chap. 17	E. 16-6, p. 804 P. 16-4, p. 810 P. 17-1, p. 865
Mar. 27	Temporary investments in equity securities. Cost and equity methods of accounting for long term investments.	Chap. 18	E. 17-15, p. 860 P. 17-3, p. 866 P. 17-7, p. 869
Apr. 3	Inter period tax allocations. Timing and permanent differences.	Chap. 19	E. 18-2, p. 916 E. 18-15, p. 921 P. 18-9, p. 930
Apr. 10	Review. Mid Term Exam.	Chaps. 16, 17, & 18	
Apr. 17	Income tax loss carry backs and carry forward with and without "virtual certainty."	Chap. 19	E. 19-1, p. 974 P. 19-1, p. 981 P. 19-3, p. 982
Apr. 24	Pension liabilities and expense allocations. Pension Worksheets.	Chap. 20	E. 19-8, p. 977 E. 19-13, p. 979 P. 19-8, p. 985
May 1	Accounting for leases — operating capital, financing and sales types.	Chap. 21	E. 20-4, p. 1020 E. 20-12, p. 1023 P. 20-1, p. 1027
May 8	Cash flow and methods of preparing the S.C.F.P.	Chap. 23	E. 21-3, p. 1081 E. 21-4, p. 1081 P. 21-3, p. 1087
May 15	REVIEW.		E. 23-5, p. 1198 E. 23-9, p. 1201 P. 23-8, p. 1214
May 22	FINAL EXAMINATION	Chaps. 19, 20, 21 & 23.	