

ACCT-2320: INTERMEDIATE ACCOUNTING II

Cuyahoga Community College

Viewing: ACCT-2320 : Intermediate Accounting II

Board of Trustees:

June 2023

Academic Term:

Fall 2023

Subject Code

ACCT - Accounting

Course Number:

2320

Title:

Intermediate Accounting II

Catalog Description:

Continuation of Intermediate Accounting I. Emphasis on analysis, methods of valuation and statement presentation of cash flows (direct and indirect methods), leases and pensions, corporate equity in both simple and complex structures, share-based compensation including earnings per share computations, income tax accounting, error correction and financial statement analysis.

Credit Hour(s):

4

Lecture Hour(s):

4

Lab Hour(s):

0

Other Hour(s):

0

Requisites

Prerequisite and Corequisite

ACCT-2310 Intermediate Accounting I or departmental approval. Recommend IT-1090 Introduction to Computer Applications for students who are not already proficient in Microsoft Excel, Word and PowerPoint.

Outcomes

Course Outcome(s):

Explain the accounting theory and generally accepted accounting principles (GAAP) underlying the primary financial statement, presentation, disclosure and evaluation.

Objective(s):

1. Recognize the role of the Financial Accounting Standards Board (FASB) in setting accounting standards and the shift to narrowing differences between US and International standards (IFRS).
2. Further explore the role of the Securities and Exchange Commission (SEC), Public Company Accounting Oversight Board (PCAOB), and the International Accounting Standards Board (IASB) in the roles they hold as accounting regulators and standard setters.
3. Analyze recognition and measurement assumptions and principles related to financial reporting.
4. Evaluate cost effectiveness and materiality issues in achieving desired qualitative accounting treatment.

Course Outcome(s):

Apply general concepts and theories to solve financial accounting issues, distinguishing between relevant and irrelevant information in structured and unstructured problem situations.

Objective(s):

1. Interpret qualitative characteristics of accounting information in terms of decision usefulness and understandability.
2. Properly present and disclose relevant accounting information in financial statement and accompanying note format.

Course Outcome(s):

Assess ethical issues in accounting and the accountant's professional responsibilities as they relate to external financial reporting.

Objective(s):

1. Identify ethical implications of earnings management.
2. Critique earnings management techniques that undermine financial transparency.
3. Evaluate the cost of compliance with current regulatory requirements – Sarbanes-Oxley (SOX)

Course Outcome(s):

Employ electronic spreadsheet techniques or tools in solving financial accounting problems.

Objective(s):

1. Complete assignments in neat, organized and professional format using special functions when appropriate.
2. Explain the concept of the time value of money as it applies to various investment or finance requirements and calculate future and present values.

Course Outcome(s):

Demonstrate proper research methods to utilize current standard setting bodies' research tools to include:

Objective(s):

1. FASB pronouncements as per current codification.
2. IASB current pronouncements.
3. American Institute of CPA's (AICPA) research tools and guides.
4. International Federation of Accountants (IFAC) tools and guides.

Methods of Evaluation:

- A. Examinations over large units or groups of smaller related units
- B. Individual and/or group quizzes
- C. Oral presentations
- D. Written case studies
- E. Outside research projects designed to provide an in-depth understanding of a topic and related research tools
- F. Class participation
- G. Other appropriate evaluation methods to measure student development and mastery of course content

Course Content Outline:

- a. Share-based compensation and earnings per share
 - i. Explain and implement the accounting for share-based compensation plans
 - ii. Distinguish between a simple and a complex capital structure
 - iii. Compute basic and diluted earnings per share
 - iv. Differentiate the effect on EPS of the sale of new shares, a stock dividend or stock split, the reacquisition of shares, stock options and convertible securities
 - v. Describe the way EPS information should be reported
- b. Accounting for stockholders equity (S/E)
 - i. Discuss the characteristics of the corporate form of organization
 - ii. Identify the components of S/E
 - iii. Describe proper recording and presentation of the transactions for the issuance of shares of stock
 - iv. Explain proper recording and presentation of the transactions for accounting for treasury stock
 - v. Describe proper recording and presentation of the transactions for preferred stock
 - vi. Explain the accounting for large and small stock dividends and splits
 - vii. Review proper presentation, disclosure and analysis of S/E
- c. Accounting for investments

- i. Identify the three categories of debt securities
 - ii. Describe proper recording and presentation of the transactions for debt securities
 - iii. Explain the equity method of accounting and compare it to the fair value method for equity securities
 - iv. Discuss the accounting for the transfer of investment securities between categories
 - v. Review proper presentation, disclosure and analysis Properly present, disclose and analyze investments
- d. Accounting for income taxes (I/T)
- i. Identify and discuss differences between pretax financial income and taxable income
 - ii. Describe the various temporary and permanent differences
 - iii. Compute and account for loss carrybacks and loss carryforwards
 - iv. Review proper presentation, disclosure and analysis of deferred I/T and I/T expense
- e. Accounting for pensions and postretirement benefits
- i. Distinguish between accounting for the pension plan vs. the pension fund
 - ii. Identify types of pension plans and their characteristics
 - iii. Prepare a pension plan worksheet and the related transaction entries
 - iv. Calculate the amortization of prior service costs
 - v. Review proper presentation, disclosure and analysis of pensions and postretirement benefits
- f. Accounting for leases
- i. Explain the nature, economic substance, and advantages of lease transactions
 - ii. Identify the classification of a lease from given information
 - iii. Calculate the lease liability and expense
 - iv. Properly record the various types of lease transactions
 - v. Describe the lessor's accounting for sales-type leases
 - vi. Review proper presentation, disclosure and analysis of lease transactions
- g. Accounting for changes and error corrections
- i. Identify the various types of accounting changes
 - ii. Demonstrate the proper accounting for each type of change
 - iii. Demonstrate the proper accounting for an error correction
 - iv. Identify economic motives for changing accounting methods
 - v. Discuss the various ethical implications of changes and errors correction
 - vi. Review proper presentation, disclosure and analysis of accounting changes and error correction
- h. Statement of cash flows
- i. Determine cash flows from operating activities by the direct and indirect methods
 - ii. Identify transactions that are classified as investing activities
 - iii. Identify transactions that are classified as financing activities
 - iv. Identify transactions that are classified as noncash investing and financing activities
 - v. Prepare a statement of cash flows

Resources

Spiceland, J. David, Mark W. Nelson, Wayne B. Thomas and Jennifer Winchel. *Intermediate Accounting*. 11th ed. Boston, MA: McGraw-Hill, 2023.

Kieso, Donald E., Jerry J. Weygandt and Terry D. Warfield. *Intermediate Accounting*. 18th ed. Hoboken, NJ: Wiley, 2022.

Gordon, Elizabeth A, Jana S. Raedy, and Alexander J. Samella. *Intermediate Accounting*. 3rd ed. New York, NY: Pearson, 2022.

Resources Other

- a. Financial Accounting Standards Board. *FASB Accounting Standards Codification*. FASB Accounting Standards Codification. Accessed 2022. <https://asc.fasb.org/>
- b. Financial Accounting Standards Board. *Home page*, Financial Accounting Standards Board. Accessed 2022. www.FASB.org (<http://www.FASB.org>)
- c. International Financial Reporting Standards Foundation. *IFRS - Home*. International Financial Standards Foundation Home Page. Accessed 2022. <https://www.ifrs.org/>
- d. *The American Institute of Certified Public Accountants (AICPA) Home page*, The American Institute of Certified Public Accountants. Accessed 2022. www.AICPA.org (<http://www.AICPA.org>)

- e. *International Federation of Accountants (IFAC) Home page*, International Federation of Accountants. Accessed 2022. www.IFAC.org (<http://www.IFAC.org>)
- f. *U.S. Securities and Exchange Commission (SEC) Home page*, The U.S. Securities and Exchange Commission. Accessed 2022. www.SEC.gov (<http://www.SEC.gov>)
- g. *CFO - News and Insight for Financial Executives*, CFO Publishing Corporation. Accessed 2022. www.cfo.com (<http://www.cfo.com>)
- h. *Current GAAP Guide*
- i. *Current Professional and Business Newspapers and Magazines*
- j. *Current Corporate Annual Reports*
- k. *SEC EDGAR Financial Reporting Database*
- l. *SEC XBRL Financial Reporting Database*

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