

Syllabus
Financial Accounting II (ACCT 302)
New Mexico State University
Fall, 2009

Professor: Dr. Kevin. McNelis, Ph.D.
Guthrie Hall 217
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Office Hours:
Mon & Wed 9:00 – 11:00
Tue & Thu 4:00 – 11:30
Other times by appointment

Class Meetings: Sect M01: TTh 2:30 – 3:45pm BC 102
Sect M02: TTh 4:00 – 5:15pm CB 205

Required Texts: *Intermediate Accounting (12th)*. Kieso, Weygant & Warfield.
Wiley Publishing, 2008.

PLUS: you must at once obtain a current (fiscal year ending in 2005 or later) Annual Report from a publicly traded company. You will need it all semester. Either photo copy one from the library (they have hundreds) or obtain one from the company you choose. You must have the complete, published Annual Report, not a “financial summary” or some such.

Optional: Accountant's columnar paper for working problems, 8 ½ x 11 size; 4 column and 6 column are good.

Other Resources: Be sure to avail yourself of other resources that are provided to help you succeed in this class. These include:

- 1) Web-CT: <http://salsa.nmsu.edu>
- 2) Textbook website (linked from WEB-CT)
- 3) Accounting Lab (GU 305A: hours to be announced)
- 4) Your colleagues

Prerequisite: Accounting 301. This is absolute. If you have not successfully completed 301 with a grade of “C” or better, you may not take this class.

Course Overview:

Intermediate Accounting is a two-semester course covering all aspects of financial accounting and reporting. Accounting 302 starts where Accounting 301

ended. In this course we will examine the underlying theory and objectives of financial accounting. We will look at the technical areas of:

Current liabilities and contingencies; Long-term liabilities; Stockholders' Equity; Dilutive securities and earnings per share; Investments; Revenue Recognition; and Leases.

Accounting 302 is a rigorous and time-consuming course. It requires in-depth study and analysis and should not be undertaken casually. For most people (me included), Acct 302 is the very most difficult accounting course there is. Several steps may be taken to avoid the "I understand the material, but I just can't do it on the exam" syndrome:

1. Do not take this course in conjunction with a full class load, full time work and an extensive social life.
2. IMMEDIATELY form study groups with your peers in both sections. Informal study has shown clearly that students who study accounting with "study buddies" do much better in the class.
3. Avoid too many similarly demanding courses.
4. Stay up to date on all assignments.
5. Consult me BEFORE YOU ARE IN SERIOUS DIFFICULTIES

As an aside, if you truly UNDERSTAND the material, you will not have trouble on the exams.

Course Objectives:

Mastery of the material covered in this course is essential for professional accountants, regardless of specialization. As future accounting professionals you must be prepared for a significantly more challenging environment than ever before. The technical aspects of financial accounting and reporting are continually becoming more complex as a result of factors such as the increasing globalization of capital markets and the ongoing emergence of new financial instruments. Regulatory and legislative activism and the demands that accountants accept an ever-increasing degree of responsibility for full and fair disclosure provide other challenges. In addition the use of computers in all areas of accounting has had a significant impact on the type of training required of accounting majors. It is no longer sufficient to provide narrow technical training largely based on the memorization of existing rules and regulations. Instead today's accounting student must acquire a thorough comprehension of the principles that govern financial accounting and reporting and must be able to apply these principles not only to existing problems, but also to emerging issues. They must be aware of the ethical and international aspects of accounting and must be able to communicate information clearly and concisely.

Upon successful completion of this intermediate accounting sequences of courses you will have a thorough understanding of the conceptual financial reporting framework; of the sources of Generally Accepted Accounting Principles (GAAP), including the role played by regulatory and legislative agencies. In addition, you will gain an appreciation of the differences and similarities between U.S. GAAP and International Financial Reporting Standards (IFRS). The FASB and the SEC will most likely adopt some, if not all of IFRS in the near future.

To accomplish the course objectives the course format will primarily consist of class discussion (including problem solving), supplemented by lectures as needed. The assigned readings, cases and problems will form the basis for discussion; consequently it is mandatory that all assignments be **ATTEMPTED prior** to the corresponding class period. **Additional materials will be provided periodically on Web-CT or via handouts, they are an integral part of the course material and you will be held responsible for their content. Check Web-CT on a regular basis for update information. BE SURE AND LOG ON TO WEB-CT AS SOON AS POSSIBLE!**

Grading: There will be a total of 650 points possible, allocated as follows:

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|---------------------------------------|------------|
| Three regular examinations (100 each) | 300 points |
| Final examination | 150 |
| Homework/Participation/Quizzes | 50 |
| Financial Statement Project | <u>50</u> |
| Total | 550 points |

Grades will be assigned as follows:

% of Points Earned

- A 90-100
- B 80-89
- C 70-79
- D 60-69
- F Below 60

The regular examinations will be equally weighted and comprise 400 points of your final grade. Typically these exams consist of short answer/problem oriented questions. The final examination will be worth 150 points and *is comprehensive*. A grade of zero will be assigned to anyone who misses an examination without the consent of the instructor **prior to** the examination. Make-up exams will **ONLY** be given in extraordinary circumstances. If you are participating in a university-sponsored activity on the date of the exam notify the instructor prior to such time to make alternative arrangements.

Homework, participation and quizzes will comprise 50 points and may consist of any or all of the following: (1) assigned homework that is picked up on a random

basis, grading will be based upon effort, (2) announced or pop in-class quizzes, grading will be based on correctness of answers, (3) special problems, or take-home quizzes which may be assigned and then answered outside of class, grading will be based upon correctness of answers, (4) active and constructive class participation, obviously this requires attendance! Homework/participation cannot made-up if missed!!!

Wireless Communications: The use of cellular phones, pagers, etc. during class is distracting and disrespectful to the instructor and your classmates. Remember to turn off all forms of wireless communications before coming to class. The immediate result of a cell phone or pager going off during class will be a quiz for the entire class. If you must be contacted during class for any reason, notify me in advance.

Classroom Schedule: You should have read the assigned material and attempted the homework assigned for a given day BEFORE coming to class. Be prepared to ask and answer questions in class. This class is a quite challenging one and it is essential that you do not fall behind. Be sure to utilize all of the resources available to you, these include your professor, your textbook, supplemental texts, your classmates, and the accounting tutorial lab. Accounting cannot be learned by merely reading the text; you must work, rework, analyze and then perhaps work again the assigned problems before you truly know the material. Try to understand the underlying principles rather than merely memorizing procedural steps.

Attached is a tentative assignment schedule for the semester. If there should be any changes in this schedule they will be announced in class and posted to WEB-CT, and as such you will be held responsible for such changes.

CPA Exam and 150-hour requirement – New Mexico law requires applicants for the CPA Examination to have at least 150 semester hours of education. Texas and most other states also have the 150-hour rule, but the nature of these 150 hours can vary significantly from state to state. For example, in New Mexico, only 30 total hours of accounting are required to sit for the CPA exam, and 3 of these hours can be in business law. In Texas, 30 UPPER DIVISION accounting hours, plus an approved accounting ethics class, are required to sit for the exam. Including sophomore-level accounting courses, this totals 39 hours of Accounting.

To find the requirements for a particular state, see the following AICPA website, which links to the various state boards of accountancy:

<http://www.aicpa.org/yellow/ypsboa.htm>

Many who plan to sit for the CPA Exam choose to remain in school for a Master of Accountancy degree. If you are thinking about a career in public accounting, you may wish to consider this program as the most beneficial way to enhance your background and credentials before accepting a career position. In addition, the MAcc degree should allow you to meet the CPA certification requirements in most, if not all, states. If you are interested in entering the MAcc program at NMSU, please contact the director, Dr. Cindy Seipel (cseipel@nmsu.edu , Room BC 333, 646-5206) for more information. You should keep in mind, however, that professional certifications other than the CPA are available and may be more appropriate for your career objectives.

Disabilities: If you have or believe you have a disability, you may wish to self-identify. You can do so by providing documentation to the Office for Services for Students with Disabilities, located at Garcia Annex (phone: 646-6840). Appropriate accommodations may then be provided for you. If you have a condition which may affect your ability to exit safely from the premises in an emergency or which may cause an emergency during class, you are encouraged to discuss this in confidence with the instructor and/or the director of Disabled Student Programs. If you have general questions about the Americans with Disabilities Act (ADA), call 646-3333.

| DATE | CHAPTER-TOPIC | ASSIGNMENT |
|-------------|--|--|
| August 24 | Intro, Ch. 13: Current Liabilities & Contingencies | E13-1, 2, 3, 4, 5, 6, P13-1, 2 |
| 26 | Ch. 13 | E13-11, 12, 13, P13-5, 6, 7, 9, 11 |
| 31 | Ch. 14: Long-Term liabilities | BE 14-1, 2, 3, 4. E14-4, 5, P14-1 |
| September 2 | Ch. 14 | E14-9, 10, 12. P14-5 |
| 7 | Labor Day, No Class | |
| 9 | Ch. 14 | E14-16, 17. P14-8, 9, 10 |
| 14 | Ch. 15: Stockholders' Equity | E15-1, 2, 3, 4, 5, 8. P15-1 |
| 16 | Ch. 15 | E15-6, 7. P15-2, 5, 6 |
| 21 | Ch. 15 | E15-10, 12, 13, 14, 15. P15-7, 8, 10, 11 |
| 23 | Exam 1 Chs. 13 & 14, & 15 | |
| 28 | Ch. 16: Dilutive Securities & Earnings per share | E16-1, 2, 4, 7, 8, 9. P16-2. |

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| 30 | Ch. 16 | E16-10, 11, 12. P16-3. |
| October 5 | Ch. 16 | E16-13, 14, 15, 16, 17, 18 |
| 7 | Ch. 16 | E16-20, 21, 22, 23, 24, 26. P16-4, 6, 7 |
| 12 | Ch. 17: Investments | E17-1, 2, 3, 4. P17-1, 2, 3, 4 |
| 14 | Ch. 17 | E17-5, 6, 7, 9, 11. P17-6, 7 |
| 19 | Ch. 17 | E17-12, 13, 16, 17. P17-8 |
| 21 | Exam 2 Chs. 16 & 17 | |
| 26 | Ch. 18: Revenue Recognition | E18-1, 2, 3. |
| 28 | Ch. 18: Revenue Recognition | E18-4, 5, 6, 9. P18-1, 2, 3, 4 |
| November 2 | Ch. 18: Revenue Recognition | P18-5, 6, 7 |
| 4 | Ch. 18: Revenue Recognition | E18-11, 12, 15. P18-9, 11, 13 |
| 9 | Ch. 21: Leases | E21-1, 2, 3 |
| 11 | Ch. 21: Leases | E21-4, 5, 6. |
| 16 | Ch. 21: Leases | E21-7, 8. P21-1, 2, 3, |
| 18 | Ch. 21: Leases | P21-11, 13, 14, 16 |
| 23 | T-Giving, No Class | |
| 25 | T-Giving, No Class | |
| 30 | Exam 3 Chs. 18 & 21 | Financial Statement Project Due |
| December 2 | Catch up and review | |
| Final Exam | Sect 01 Sect 02 | Wednesday, December 10, 1:00 to 3:00 Monday, December 8, 3:30 to 5:30 |