

**ALABAMA STATE UNIVERSITY**  
College of Business Administration  
Department of Finance and Accounting

**Course Syllabus**

Course Prefix and No.:	ACT 314	Instructor:
Course Title:	Intermediate Accounting II	Title:
Course Credit Hours:	3	Office:
Semester Offered:	Every Semester	Office Hours:
Course Prerequisite:	ACT 313	Telephone:

**Class Attendance Policy:** University Policy

**Deadline for Withdrawal:** University Policy

Note: After the above date, the Dean will not sign the drop slip, unless, there is an extraordinary” circumstance that warrants your dropping after the deadline.

**Required Text:** Spiceland, J. David, Sepe, James F., & Tomassini, Lawrence A.  
*Intermediate Accounting*. New York: McGraw-Hill, 2004.

**Required Supplements:** Business Week Subscription  
ALEKS (Assessment and LEarning in Knowledge Spaces) for  
Financial Accounting

**Objective 1– Recognize and be able to apply generally accepted accounting principles and financial reporting standards for Inventories, Operating Assets, Investments, Liabilities, and stockholders’ Equity.**

Upon completion of Objective I, you should be able to perform the following sub-objectives:

Chapter 9 – Inventories: Additional Issues

1. Understand and apply the lower-of-cost-or-market rule used to value inventories.
2. Estimate ending inventory and cost of goods sold using the gross profit method.
3. Estimate ending inventory and cost of goods sold using the retail inventory method, applying the various cost flow methods.
4. Explain how the retail inventory method can be made to approximate the lower-of-cost-or-market rule.
5. Determine ending inventory using the dollar-value LIFO retail inventory method.
6. Explain the appropriate accounting treatment required when a change in inventory method is made.
7. Explain the appropriate accounting treatment required when an inventory error is discovered.

## Chapter 10 – Operational Assets: Acquisition & Disposition

1. Identify the various costs included in the initial cost of property, plant, and equipment, natural resources, and intangible assets.
2. Determine the initial cost of individual operational assets acquired as a group for a lump-sum purchase price.
3. Determine the initial cost of an operational asset acquired in exchange for a deferred payment contract.
4. Determine the initial cost of operational assets acquired in exchange for equity securities or through donation.
5. Explain how to account for dispositions and exchanges for other nonmonetary assets.
6. Identify the items included in the cost of a self-constructed asset and determine the amount of capitalized interest.
7. Explain the difference in the accounting treatment of costs incurred to purchase intangible assets versus the costs incurred to internally develop intangible assets.

## Chapter 11 – Operational Assets: Utilization & Impairment

1. Explain the concept of cost allocation as it pertains to operational assets.
2. Determine periodic depreciation using both time-based and activity-based methods.
3. Calculate the periodic depleting of a natural resource.
4. Calculate the periodic amortization of an intangible asset.
5. Explain the appropriate accounting treatment required when a change is made in the service life or residual value of an operational asset.
6. Explain the appropriate accounting treatment required when a change in depreciation method is made.
7. Explain the appropriate treatment required when an error in accounting for an operational asset is discovered.
8. Identify situations that involve a significant impairment of the value of operational assets and describe the required accounting procedures.
9. Describe the accounting treatment of repairs and maintenance, additions, improvements, and rearrangements to operational assets.

## Chapter 12 Investments

1. Explain how to identify and account for investments classified for reporting purposes as held to maturity.
2. Explain how to identify and account for investments classified for reporting purposes as available for sale.

3. Explain how to identify and account for investments classified for reporting purposes as trading securities.
4. Explain what constitutes significant influence by the investor over the operating and financial policies of the investee.
5. Describe the way investments are recorded and reported by the equity method.
6. Explain the adjustments made in the equity method when the fair value of the net assets underlying an investment exceeds their book value at acquisition.

#### Chapter 13 Current Liabilities & Contingencies

1. Define liabilities and distinguish between current and long-term liabilities.
2. Account for the issuance and payment of various forms of notes and record the interest on the notes.
3. Characterize accrued liabilities and liabilities from advance collection and describe when and how they should be recorded.
4. Determine when a liability can be classified as a noncurrent obligation.
5. Identify situations that constitute contingencies and the circumstances under which they should be accrued.
6. Describe the appropriate accounting treatment for contingencies, including unasserted claims and assessments.

#### Chapter 14 Bonds & Long-Term Investments

1. Identify the underlying characteristics of debt instruments and describe the basic approach to accounting for debt.
2. Account for bonds issued at par, at a discount, or at a premium, recording interest at the effective rate or by the straight-line method.
3. Characterize the accounting treatment of notes, including installment notes, issued for cash or for noncash consideration.
4. Describe the disclosures appropriate to long-term debt in its various forms.
5. Record the early extinguishment of debt and its conversion into equity securities.
6. Identify common derivatives used to hedge risk and describe hedge accounting.

#### Chapter 19 Shareholders' Equity

1. Describe the components of shareholders' equity and explain how they are reported.
2. Prepare a statement of shareholders' equity and explain its usefulness.
3. Record the issuance of shares when sold for cash, for noncash consideration, and by share purchase contract.
4. Describe what occurs when shares are retired and how the retirement is recorded.
5. Distinguish between accounting for retired shares and treasury shares.

6. Describe retained earnings and distinguish it from paid-in capital.
7. Explain the basis of corporate dividends, including the similarities and differences between cash and property dividends.
8. Explain stock dividends and stock splits and how they are accounted for.

### **Objective II – Research Project or In-class Writing**

The student will demonstrate the ability to conduct research, apply critical thinking skills, and provide written resolution to an accounting issue.

### **Objectives III - ALEKS (Assessment and LEarning in Knowledge Spaces) for Financial Accounting (or Practice Set)**

In the ALEKS Project, students will identify accounting concepts and apply generally accepted accounting principles to the recording, financial statement presentation of Inventories, Operational Assets Acquisition and Utilization, Investments, Current Liabilities & Contingencies, Long-Term Liabilities and Shareholders' Equity.

### **Objectives IV – Professional Skills Development**

The student will demonstrate the ability to independently prepare work assignments, share the results and collaborate with coworkers (student group), and present to a supervisor (the instructor and the class) the collaborative group results of the work assignment.

### **Evaluation and Minimum Standards:**

To pass an objective in this course the student must earn 70% of the points available for that objective. To pass the course, students must pass all objectives. All written work will be graded on both content and use of the English language.

Examinations (Objective I):

Any exam may be missed ONLY for a) death/serious illness in the immediate family or b) National Guard or Reserve duty. The instructor at his/her discretion will grant a make-up exam or will make other arrangements that he/she feels are suitable. No more than one exam may be missed. Exam papers may be reviewed, but they will not be returned. Calculators may not be shared during exams.

Research Paper or In-class Writing (Objective II):

Note that NO extensions will be allowed. Your instructor will release details on Research Paper and In-class Writing assignments during the first week of classes. Each research paper or In-class Writing assignment will be graded based upon research (20%), organization (20%), support of thesis/analysis with main points and supporting points, (35%), and proper writing skills to include basic grammar, mechanics, and usage (25%). The research paper and In-class Writing assignments will be averaged together to determine your Objective II grade.

### ALEKS for Financial Accounting (Objectives III)

Each ALEKS for Financial Accounting project will be graded based on the completion of all modules in the Assessment Mode (as opposed to the Learning Mode).

### Professional Skills Development (Objective IV):

Groups will be assigned to discuss homework solutions before these assignments are reviewed in class. The criteria used to evaluate this activity are work done before class, participation in the group sessions and presentation of the group response. Individual class participation and additional Instructor-assigned work are included in Objective IV. Additional Instructor-assigned work may consist of reports on articles, computer exercises or problems, quizzes, papers, etc., at the discretion of your instructor.

### **Grade Distribution:**

<b>Category</b>	<b>Points</b>
Objective I: Examination I, II, III and Final Examination	700
Objective II: Research Project or In-class Writing	100
Objective III: ALEKS for Financial Accounting	200
Objective IV: Professional Skills Development	200
Total	1,200

A = Pass all four objectives and earn 90% - 100% of all course points available.

B = Pass all four objectives and earn 80% - 89% of all course points available.

C = Pass all four objectives and earn 70% - 79% of all course points available.

D = Pass three of four objectives and earn 60% - 69% of all course points available.

F = Failure to achieve at least D standards.

**ADA STATEMENT:** If you have a disability of any kind and will need academic adjustments or assistance in the classroom or with this course, please see the instructor immediately.